



MESSAGES OF THE PRESIDENT

DIOSDADO MACAPAGAL

1961-1965

BOOK 9 | VOLUME 3

Historical Papers and Documents

ADDRESSES AND SPEECHES

Inaugural Address of President Macapagal, December 30, 1961 **INAUGURAL ADDRESS**

OF

HIS EXCELLENCY DIOSDADO MACAPAGAL

[Delivered at the Quirino Grandstand, Manila, December 30, 1961]

“OUR MISSION”

On this day, December 30, our national hero Jose Rizal gave his life on this hallowed ground – the ideal manifestation of love of country and dedication to the service of our people. It was therefore fitting that the framers of our Constitution should decree that the highest official of the land shall be called upon to assume office on this historical occasion. With deep humility, I accept the Nation’s call to duty.

Bound by the oath I have just taken, I am resolved that I shall be the President not only of the members of my party but of all political groups; I shall be President not only of the rich but more so of the poor; and I shall be President not only of one sector but of all the people.

The primary function of the President is not to dispense favors but to dispense justice. The presidential oath of office contains the special pledge to “do justice to every man.” These shall not remain empty words, for with God’s help, I shall do justice to every citizen, no matter how exalted or how humble may be his station in life.

As we open a new era in the life of our Nation, let us measure the tasks before us and set forth our goals. Our aims are two-fold: first, to solve the immediate problems of the present and, second, to build materially and spiritually for the future.

Our first mission is the solution of the problem of corruption. We assume leadership at a time when our Nation is in the throes of a moral degeneration unprecedented in our national history. Never within the span of human memory has graft permeated every level of government. The solution of this problem shall call for the exercise of the tremendous persuasive power of the Presidency. I shall consider it, therefore, my duty to set a personal example in honesty and uprightness. We must prove that ours is not a Nation of hopeless grafters but a race of good and decent men and women.

I intend to do more than this. Among the appropriate measures I shall take to insure the eradication of this social cancer is to assume moral and political responsibility for the general state of public morality in the country.

Our second mission is to attain self-sufficiency food of our people, namely, rice and corn. The elemental needs of every people are food, clothing and shelter. We shall give impetus to industries that will provide clothing for our population at reasonable prices. In collaboration with private enterprise, we shall invigorate the national housing program and devote particular attention to proper housing for countrymen who earn the lowest income and the indigents who live under subhuman conditions.

While attending to the people’s need for adequate clothing and shelter, the urgent emphasis shall be on their need for staple food. With the cooperation of Congress, we shall launch and implement a rice and corn program that shall bring about sufficiency in the production of these cereals and make them available at prices within the reach of the masses.

The basic national problem is the poverty of the masses. Our third mission, therefore, is the creation of conditions that will provide more income for our people – income for those who have none and more income for those whose earnings are inadequate for their elemental needs. Millions of our people are unemployed and millions more are unemployed and millions more are under-employed. We must rectify this situation to help our people attain a higher

level of living and create the domestic buying power that can help generate prosperity. Unless solved in time, this problem will worsen to the point of disaster in view of our population explosion.

The permanent solution to this problem is the rapid and sound utilization of our vast and rich natural resources in order to create opportunities for employment. We believe that the effective accomplishment of this task should be left to the citizens themselves, that is, to private enterprise. But the Government can and should help. Our Administration shall extend this help. Within the maximum financial capacity of the Government, we shall initiate and carry out a program to help solve unemployment and underemployment through massive productive and labor-intensive projects calculated to create multiple job opportunities while at the same time increasing the production, productivity and wealth of the land.

Our fourth mission is to launch a bold but well-formulated socio-economic program that shall place the country on the road to prosperity for all our people. I shall present this program in my first State-of-the-Nation message to Congress next month for the consideration and support of our law-making body. In essence, the program will call for a return to free and private enterprise. The program will also aim at propelling the Nation along the path of progress, first through the dynamic development of our resources under a system of free and private enterprise, and, second, by the implementation of a social program for the masses under the direction of the Government. I strongly believe in placing the burden of economic development in the hands of private entrepreneurs with the least government interference while making the Government assume the full responsibility for implementing the social and public welfare program.

I believe in private enterprise because I have faith in the Filipino. I am convinced that if his future is placed in his own hands and conditions are created in which he may seek his prosperity and carve his own destiny – with his integrity, talent, industry and sense of sacrifice – he shall surmount attendant difficulties, husband the natural bounty that God has bestowed for his well-being, effectively provide for his needs and transform our country at an early time into a land of abundance not only for a favored few but for each and every Filipino.

While our economic problems are integrated in character, we must be concerned with the plight of the common man as an imperative of justice. We must help bridge the wide gap between the poor man and the man of wealth, not by pulling down the rich to his level as communism desires, but by raising the poor up towards the more abundant life. This is democracy's supreme endeavor. I shall therefore from this day onward vigorously exert all efforts to increase the productivity of the farmer and the laborer, to teach the common man scientific methods to lighten his burdens, to give land to the landless and in time to place within his means the essential commodities for a decent living.

It is not our only task to solve the immediate problems of the present and build materially for the future. The structure of this Republic must be built not only upon material but more so upon spiritual foundations. Our fifth mission, therefore, is to establish the practices and the example that will strengthen the moral fiber of our Nation and reintroduce those values that would invigorate our democracy. This we shall seek through formal modes of reform, through enforcement of statutes and, whenever feasible, through the power of example. I shall accordingly endeavor to set the tone not only for integrity but also for simple living, hard work, and dedication to the national well-being.

This then, in synthesis, is our mission, the trust that has been placed in our hands by our people. We are called upon to attend to all functions of government, including foreign relations in which we shall vigorously discharge our part in the struggle against communism and strive to raise the prestige of the Republic before the family of nations. While ministering to all the traditional public services, it is in the accomplishment of these five missions that we must place stress and primary attention, for their solution will facilitate the effective ministration of all the essential public services the government is duty bound to maintain.

It is incorrect to say that we are out to solve all the problems of the Nation. No President can do that. Nation-building is an exacting and endless endeavor. No President can build the whole edifice of a nation. All that he is called upon to do, is to add a fine stone to that edifice, so that those who shall come after him may add other fine stones that will go for a strong and enduring structure. I stress anew that stone that we are assigned to contribute to the edifice of a greater Philippines is, first, to attend to such short-range problems as sufficiency in the staple food of the people, and more employment, and second, to undertake a long-range task of moral renaissance and the

implementation of a socio-economic blueprint which, although not immediately achieving prosperity, will lead to that prosperity for all our people.

I believe that this is a mission formidable enough for any President. It is an endeavor that calls for the utmost use of sound judgment, energy and, above all, patriotism, which is demanded of all of us. It addresses itself to the leaders the three great branches of our Government. It requires, on the part of all, a transfiguration of attitude from political partisanship to statesmanship. In the deliberations of Congress on the proclamation of the President and the Vice-President, the leaders and members of Congress demonstrated their capacity to rise above partisan politics and proved themselves equal to the challenge of patriotism. I express the hope that this congressional performance was not a mere involuntary recognition of an undeniable political fact but a willful recognition of the need of setting aside political partisanship in this time of national crisis in the interest of bipartisan collaboration in the common task of providing, in the least time possible, a life of decency and prosperity for our people.

Above all, this mission requires the support of our people. No program can succeed without popular sustenance. We shall need that faith and that support demonstrated by our people in our election against appalling odds. The beneficent effects of some of the concrete steps that we shall take may not be immediately evident; what may, in fact, be instantly visible will be adverse but transitory repercussions that in time will clear the way for the final and favorable outcome. In those interludes of anxiety, we shall need the full trust and confidence of our people, and we assure now that we shall deserve that trust and confidence because in all our actions we shall never deviate from the course of integrity, sincerity, and devotion to the welfare of the Nation.

In the past electoral combat, our people showed the strength of our democracy in this part of the world by bringing about a peaceful change of Administration through the ballot and not through the bullet. Simultaneously, democracy displayed its splendor by showing that under its aegis a poor man who sprang from the humblest origin and who has not attained a state of riches can rise to the Presidency of the Republic. I, whom the sovereign will in a democracy has chosen as the means for the exhibition of the reality of its virtue of offering equal opportunity to the rich and the poor alike, am now called upon to prove that such a gift of opportunity to our humble citizenry shall not be in vain. With God's grace and the support of all citizens of good will and good faith, and of our common people in particular, I pray with all my heart and soul that I shall not fail in my trust.

**Extemporaneous address of President Macapagal to officers and men of the Armed Forces Extemporaneous
Address
of**

**His Excellency Diosdado Macapagal
President of the Philippines
To officers and men of the Armed Forces**

[Held at Camp Murphy, January 2, 1962]

ACCEPTANCE OF LOYALTY PLEDGE

IT IS A REAL SOURCE of gratification, and even inspiring, to see the officers and men of our Armed Forces, now under my supreme command, on my first working day as the President of this Republic. Our Armed Forces has a splendid record and tradition behind it. You have thus far successfully safeguarded our national security from without and from within. You and your comrades in arms have demonstrated many a time acts of valor and sublime patriotism in the field of combat.

Our people have very much to be proud of you. That is why as your Commander-in-Chief, I shall take it unto myself to exert the utmost effort in order that the fine phases of your record and tradition shall be enhanced, and whatever weakness of your organization may be reduced or eliminated, to the end that, after I myself shall have concluded my tour of duty with you, I shall leave the Armed Forces of the Philippines a finer, greater and better organization to which every officer and soldier will truly be proud to belong.

As the first step in our objective, I had appointed as secretary of national defense, one of the most brilliant soldiers in the last world war who has since led a civilian life distinguishing himself in the service of our country, a man in whom I have the highest and fullest confidence, Secretary Macario Peralta. And yesterday, I swore into office my new chief of staff to take over because the time of retirement of the former chief of staff, General Cabal, had come, in the person of former vice chief of staff, and now chief of staff, General Pelagio Cruz.

In witnessing the change of command which had become my unexpected but cherished privilege to witness, I congratulate General Cabal for a work well done and extend the very best wishes to General Cruz for the task ahead of him. I have chosen General Cruz as the new chief of staff because to me he is one of the best officers in our military organization, and also, because in appointing him I wanted to serve notice that under my command the appointment and the promotion of officers in the Armed Forces of the Philippines shall be based upon seniority, merit and justice. In restoring and utilizing the basis or the criteria of seniority, merit and justice in the promotion and appointment of officers, I am also particularly interested in the living conditions and the welfare of the Filipino soldier or the enlisted man.

After my election and before my assumption of office, I visited and surveyed the premises in which our enlisted men live in the various services of our Armed Forces in various camps in the country, in an effort to determine in what ways I can help in improving the living conditions and the lot of the Filipino soldier. I shall continue to do that.

Indeed, I have geared the efforts of my Administration towards the promotion of better living conditions and a better life for the common people to whom I myself belong. And, if I thus have made it my prime concern to promote the lot of the common man in this country, it stands to reason that I should be more concerned with promoting the lot of the common man who is ready to give his life to his country and that is the enlisted man.

I therefore conceive it as our common and essential course of action to hold on to each other because we now belong to one organization which, although composed of various services, is still one organization. We must hold on together, officers and men, in our one and single organization, because we have a patriotic duty to discharge to our beloved country.

We must maintain endless vigilance to safeguard the security and the freedom of our Republic and our democracy and our people. Outside our country, a foreign ideology engaged in an adventure of world domination steadily extends its menacing hand towards our shores, and within our country, there is lack of peace and order in substantial areas, particularly in those areas where the advance units of the foreign ideology are striking fear and terror among peaceful and freedom-loving countrymen.

It is the mission of our organization to restore law, peace and order in those areas because unless they can restore law, peace and order in those pockets of lawlessness, there shall not only be a marked deficiency in the performance of their task or mission but it shall impede development of the national economy through which alone we can permanently achieve higher standards of living for the common man- Therefore, I say, it behooves us all, who are part of this great organization, the Armed Forces of the Philippines, to work more vigorously and more dedicatedly in order that we may discharge this patriotic mission for our people.

We must locate the causes of failure, if any, and we must bring the remedies for the causes of those failures. We must succeed in this mission of our Armed Forces. We must not fail for the sake of our country, and in order that we may succeed in this task, I am ready to utilize the prerogatives and facilities of my position in order that we may successfully discharge our duty of safeguarding peace, security and the liberties of our people.

Officers and men, I am proud of you. I know our people are proud of you. I shall not speak longer because this is no time for words. This is an era of action. I thank you, together with Mrs. Macapagal, for the honor that you have given me this morning and in thanking you and taking leave of you, I bid you to remember, I am not only your Commander-in-Chief, I am your friend. Thank you.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal before the Convention of Judges

Address of His Excellency Diosdado Macapagal President of the Philippines Before the Convention of Judges

[Delivered on January 7, 1962]

TOWARDS A REGIME OF JUSTICE

I FEEL HONORED and happy to be with you on this occasion. I must confess, however, that when I was invited to come, I at first wondered whether I should accept the invitation. I recall how before the war President Quezon's posing for a photograph with justices of the Supreme Court was branded by some critics as meddling with the judiciary, and I feared that my coming here now would be used by the enemies of the people as basis for accusing me of dictating to our courts.

But after considering the matter, I realized that it is my duty, which I have no right to evade, to appear before you and appeal to your sense of patriotism to help make our democracy a going concern, discharge your tasks with greater dedication and vigor, and do your share in placing the structure of our Republic upon firm foundations of public faith.

The prime effort of the Administration, as you may now have noted, is concentration on solving the economic problems of the country. To this effort, I shall bring to bear my background as a student of economic science, having earned in my studies the degree of doctor of philosophy in economics. But for all my incursions in various fields such as economics, foreign affairs and other specializations, I am at core a lawyer with, therefore, a profound interest in the administration of justice. Hence, under our Administration, it is to be expected that we shall pay the utmost attention to the improved efficiency of the machinery of justice, the strengthening of our courts, the careful selection of judicial officers, and the defense of the courts against political assaults, to the end that after my term of office, I shall lay down the burden of public cares gratified as a lawyer who has a passion for law and justice that our judiciary has enhanced its independence, integrity and efficiency in playing its role in our democracy as a dispenser of true and equal justice to our people.

You will note that in its preamble, our Constitution promises to our people for the enjoyment of the blessings of independence "a regime of justice, liberty and democracy." The first pledge of the Constitution, therefore, to our people, and posterity is justice. The first thing that the government is duty bound to give to the people is justice. Realizing the potency that the powers of the office bear in its relation to the lives of the people, the Constitution also emphasized the primacy of justice in our society when it added a phrase in the oath of office of President which is not contained in the oath of other officials, requiring the President to pledge that he shall "do justice to every man." Realizing the letter, spirit, and mandate of the Constitution, I say for our Administration that we will seek to strengthen the administration of justice and I say on my part that in obedience to the fundamental law of the land, I assure all that if I did nothing else I am resolved that I will do justice to all our people, to every citizen, no matter how rich or poor, no matter how exalted or humble, no matter how high or low.

When our people were faced with the task of forging a constitution of our Republic, in their wisdom, they divided the powers of government into three: you represent one of these three powers; and I another. While these powers are independent of each other, they are also interdependent—for the judiciary cannot exercise its functions effectively without the cooperation of the Executive any more than the Executive can exercise his powers effectively without the cooperation of the judiciary. It is for this reason that I welcome the opportunity to be with you for it gives me the opportunity to reiterate and reaffirm the pledge that this Administration will exert every possible effort not only to assert and maintain the independence of our judiciary but for that purpose to assist you who compose our judiciary in every possible way to perform your functions effectively.

From you, in return, the Administration asks only this: that by your conduct, by your impartiality, by your moral strength, you continuously uphold the independence and integrity of the judiciary and its imperviousness to political and other pressures.

When I was studying law, I came across an incident in the life of Sir Edward Coke, Chief Justice of England. There arose a case involving the right of the king to appoint a clergyman to what was called a “benefice in commendam” that is, with the right to have its duties performed by deputy. Fearing that such a prerogative of appointment might be denied or brought into question, King James instructed his attorney-general, Lord Bacon, to write to the judges to command them not to proceed further until they have consulted with him. Upon the instigation of Sir Edward Coke, however, the judges wrote to His Majesty to tell him that by their oaths they were bound to disregard a private letter from the king in any suit between party and party. The king was furious and summoned the judges before the council where all but one of them fell upon their knees, and, acknowledging their error, begged the king’s forgiveness. The obstinate one, of course, was Chief Justice Coke, and his obstinacy was strengthened by the fact that Lord Bacon supported the King in the course of the argument. The King now put this question to the judges: “In a case where the King believes his prerogative or interest concerned, and requires the judges to attend him for their advice, ought they not to stay proceedings till His Majesty has consulted them?” All the judges except Sir Edward Coke cried: “Yes, Yes, Yes!” But Chief Justice Coke said firmly: “When the case happens, I shall do that which shall be fit for a judge to do.”

That was a judge; that is what the people demand and expect of judges. I hope that, like Chief Justice Coke, you, our judges, will never bow before the majesty of politics or money or influence. It takes courage, character, and conviction to uphold the supremacy of the law, but I know that you have that innate quality to have that courage, that character, that strength of conviction.

Our courts have been established not only to administer justice in the solitary realm of the judiciary detached from the other spheres of government and society. They constitute an implement of the Republic charged with the mission of placing within the reach of our people one of the three great fundamental ideals of justice, liberty and democracy which together foster the general welfare of the people. Although independent, the judiciary is not therefore detached from the stresses that move the Nation as it seeks the general welfare and must play a proper part in the husbanding and control of the current national forces in order to divert them to the attainment of the national good.

One of such national forces which the judiciary cannot ignore is the drive against corruption which has become the unmistakable mandate of the sovereign people in the last election. This Administration is accordingly pledged to stamp out graft, venalities and organized crime. Without breach of the fundamental independence of the judiciary, you can take part in a proper manner in this national crusade. You can render proper and valuable assistance by expediting the disposal of anti-graft cases. Any government official, who has unlawfully enriched himself in office or perpetrated any violation of law, must not stay in public office a minute longer. Any person who has committed a crime against society must be punished with the least possible delay. Likewise, anyone who is innocent must be vindicated so that the stain on his name may be removed immediately. To see a person accused of a crime out on bail for an unwarranted length of time is to foment apathy and cynicism among our citizenry in the administration of justice. To allow the innocent to suffer the tortures of unjust accusation is to commit injustice. The duty is clear—these anti-graft cases must be expedited, thereby enabling the judicial officers not only to dispense true justice but also enabling the judiciary to discharge its integrated role *towards* the constitutional goal of a regime of justice, liberty and democracy.

The gravest problem of our day is, of course, economic development—how to raise the standards of living of our less fortunate people, how to foster prosperity for all. To achieve this task, it will be necessary that our people—all our people, the rich and the poor, the high and the low, the strong and the weak—bend every effort in a gigantic and joint endeavor. But we cannot ask our people to work with us and we cannot expect our people to respond to our programs unless they are convinced that, in our hands, justice is done to every man, without regard to his politics, his influence, or his means. That is our common role, to do justice to every man. That is your role; to maintain our people’s faith in the process of law for without that, we cannot have a democratic and free economic growth and development.

It is for this reason that at a proper time during our Administration, we shall institute judicial reforms. These reforms shall embrace every level of the judicial system below the Supreme Court, but on my part, I shall be particularly anxious about reform in the lowest level of the judicial strata. Since the vast majority of our people live in the barrios, simple in their ways, their contact with our courts begin and often end with our justices of the peace. From the standpoint of rank, the justice of peace may be the lowest in the judiciary; from the standpoint of maintaining the people's faith in the administration of justice, his is the hardest and most important job. It is to them that our people look for redress. With wise decisions, they bring the concept of good government closer to the understanding of the masses. With unfair decisions, they destroy the faith in government and democracy. While concerned with all our courts in general, my Administration pledges itself particularly to improve the administration of justice at the Justice of the Peace level in order that justice shall not be available only to the few but justice shall be within the grasp and reach of all our people.

Apolinario Mabini said that the judiciary is the conscience of the government. At all times and in all places, let us, you and I, keep that conscience alive, vibrant and clean.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**Speech of President Macapagal at the First Conference of Filipino Diplomats and Consuls Speech
of
His Excellency Diosdado Macapagal
President of the Philippines
At the First Conference of Filipino Diplomats and Consuls**

[Delivered at Malacañang, January 9, 1962]

TALK TO FILIPINO DIPLOMATS AND CONSULS

I AM INFORMED that the first conference of Filipino diplomats and consuls, together with the counselors and other ranking officials of the Department, has just been held. The Vice-President and concurrently Secretary of Foreign Affairs is to be congratulated for convening you, which act was as timely as it was unprecedented.

Many of you know of my deep interest in the foreign service. I was a foreign service man before I went into politics. In my first term in Congress, I authored and sponsored the Foreign Service Law (R.A. 708) to establish a career foreign service.

In recent years, the Foreign Service Law was put to naught by a legal ruling that it was not mandatory. This has resulted in the political spoliation of the foreign service and the near destruction of the career system.

Under this Administration, the Foreign Service Law will be enforced vigorously to restore and strengthen the career foreign service. This will mean a diminution of the presidential powers. However, in the spirit of the new era of dedicated public service, I shall be ready to give up some of my prerogatives for the good of the people.

I have taken the steps to insure the success of the Administration's program of safeguarding the career system in the foreign service. I have selected as the leaders in the foreign affairs department the best among our available cabinet materials, namely Vice-President and concurrently Secretary of Foreign Affairs Emmanuel Pelaez and Ambassador and concurrently Undersecretary of Foreign Affairs Salvador P. Lopez.

It is absolutely important that a new spirit of discipline, dedication to the public service and the national interest shall prevail henceforth in the home office and in all our foreign service posts. We depend upon you and your colleagues to take the lead in giving impetus to this spirit. We shall depend upon you to uphold wherever you may be assigned the dignity of the Republic.

Aside from re-establishing and safeguarding the career foreign service, you must provide concrete assistance to the economic and other domestic policies of the Administration. You must play an increasingly effective role in world affairs, in general, and in the defense of freedom and the preservation of peace among nations, in particular.

The Administration will do everything in its power to improve the life, enhance the dignity and enlarge the freedom of our people here at home. We shall expect you who are our representatives abroad to exert your best efforts to promote these goals in the international field.

I fervently wish you success in this mission. In the successful discharge of our respective shares in our joint and common responsibility to our country will lie the attainment of our people's aspiration to a life of decency and prosperity in freedom.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**Speech of President Macapagal at a conference of officials of the Chinese Chamber of Commerce of the Philippines and the Federation of Chinese Chamber of Commerce of the Philippines Speech
of**

**His Excellency Diosdado Macapagal
President of the Philippines**

At a conference of officials of the Chinese Chamber of Commerce of the Philippines and the Federation of Chinese Chamber of Commerce of the Philippines

[Delivered at Malacañang, January 23, 1962]

APPEAL FOR DECONTROL SUPPORT

I ACKNOWLEDGE with deep appreciation the public offer made by the Chinese community, through its leaders, to help in making the Administration's economic program succeed.

Two days ago, the Administration put into effect genuine decontrol. Availing of your offer to help, the Administration seeks your assistance in promoting the success of the decontrol program.

Your help will be valuable due to your substantial position in the trade business which affects prime and other commodities, particularly in keeping prices from going up and, instead, in enabling the prices to go down at an early time.

The Administration seeks your help because it believes you are in a position to extend it. This is justified because of the attitude of the Administration of giving opportunities to all the inhabitants of the country, citizens and foreigners alike, to have a just share in the benefits derived from the national economy.

The Administration is ready to continue with this policy of according equitable opportunities to both citizens and foreigners in the belief that both have a stake in the soundness of the national economy. Pursuant to the policy of encouraging foreign investments in joint ventures with Filipino investors, there are bound to be more opportunities for foreigners engaged in economic activity than there have been in the past.

This opportunity for foreign investors exacts a corresponding obligation from them to assist in promoting the success of our economic program, particularly during crucial times such as the present transition from a controlled economy to a system of free and private enterprise. Your assistance is, therefore, a necessity which the Filipino people will appreciate. Such mutual effort between Filipinos and foreigners, which gives proper regard to the common interest, will go a long way towards the prolonged enjoyment by all the inhabitants of the country, of the bounties that accrue from the economy.

I trust that by failing to extend your assistance at this hour of need, you will not compel the Filipino people and their chosen leaders to take effective steps which may fall short of the close collaboration that has heretofore existed between our citizens and yourselves in the operation of the Philippine economy, but which would become unavoidable for the protection of the national interest.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal at the dedication ceremony of the International Rice Research Institute
Address
of
His Excellency Diosdado Macapagal
President of the Philippines
At the Dedication Ceremony of the International Rice Research Institute

[Delivered in Los Baños, Laguna, February 7, 1962]

THE PHILIPPINE RICE PROBLEM

I FEEL HONORED for this opportunity to participate in the dedication ceremony of the International Rice Research Institute. The Philippines is fortunate in having been chosen as the permanent site of the Institute for with the strong support behind it, the amplitude and splendiddness of its buildings and premises, and above all, the employment of world-known rice scientists and researchers, this Institute stands among the best scientific institutions on rice all over the world. We appreciate the good fortune in the selection of the Philippines as its site and the Philippine government is ready, willing and, I think, able to give full support and cooperation to the Institute in the attainment of its goals and objectives.

Our country faces today many complex problems of awesome dimensions. In the period of over a month, our Administration has pursued a crusade for moral regeneration. We have effected a shift from a controlled economy, which had been in vogue for over a decade, into a market economy. We have launched an integrated five-year socio-economic program as a take-off from a traditional type of economy.

In the midst of these endeavors of enormous magnitudes, I say that our most vital problem is rice. It appears ironical that while technological practices in the growing of palay is all ready practiced here and our soil and climate are suitable to the production of rice, our national average production still remains at 27.47 cavans per hectare. The Philippines occupies the lowest position among the 23 rice-producing countries of the world as shown in the following table:

PALAY: Yield Per Hectare in Specified Countries, 1956-1957

Country	Yield per Ha. (Cav.)	Country
United States	77.18	Japan
Italy	106.78	Korea
Spain	132.47	Malaya
Iran	45.18	Pakistan
Burma	36.06	Philippine
Ceylon	83.95	Taiwan (I
China	60.48	Thailand
India	30.82	Brazil
Indo-China	29.80	Colombia
Cambodia	29.71	Egypt
South Vietnam	33.57	All Other
Indonesia	38.35	WORLD

Hunger and malnutrition constitute one of the principal problems of every country in Southeast Asia and the Far East. Production of food has never outdistanced population growth in this part of the world. Freedom from hunger is the aspiration and goal of every Asian nation.

The explosion population of the Philippines is estimated to continue at the annual rate of 3.2 per cent. This means that our population which was 27,455,799 as of February 15, 1960, as officially announced on November 26, 1960 by the Bureau of the Census and Statistics, Sp. Bul. No. 1, will be 34,060,000 by January 1, 1967. Our rice eating population is 76.5 per cent and the annual per capita consumption, based on a weighted average estimate, is 1.847 cavans.* The estimated total human consumption by 1967 will be 48,313,973 sacks of 56 kilos of clean rice as against the 1963 estimated production of 45,622,600 sacks or 96,627,946 needed cavans of 44 kilos palay for 1967 as against the 1963 estimated production of 89,456,000 cavans.

There are three integrated solutions to the rice problems of the Philippines which constitute the Administration's rice program. The first is the short-range measure of preventing a rise in the retail price of the cereal. To bring this about, one of my first acts was to create a Presidential Rice and Corn Committee with the function of insuring a year-round supply and distribution by buying and stockpiling the cereal which will be released and sold during the non-harvest period at prices within the reach of the common people and, if necessary, even at a loss to the Government. In fulfillment of this program, the Rice and Corn Committee through the NARIC and ACCFA started on January 29, 1962 to buy palay, *ordinario*, from farmers and their cooperatives, not from middlemen, at P12.00 per sack of 44 kilos, dry, at major centers of consumption in an effort to accumulate a buffer stock of palay and rice to be released at times and places of scarcity and at a price within the reach of our masses.

This short-range measure is based on the truism that our food production will not serve its intended utility to our people if the man in the street, if the common worker on the farm or in the factory, cannot afford to buy it with his modest earnings. It is the common people who need the most help of our Government in order to improve their working conditions, increase their per capita income, and elevate their standard of living. The high price for essential commodities, especially rice and other staples, whether in times of calamity or not, is one of the most potent reasons for inflicting misery on the majority of our countrymen, and when prices increase to an extreme level, this can drive them to desperation. I pledge to our people that I will do everything that can be done to insure that this injury to their welfare will not happen under my Administration.

To insure reasonable price levels of rice and other goods to the consumers requires the cooperation of those engaged in distribution and marketing. I would like to make a statement addressed to traders, irrespective of their nationality, who would unduly enrich themselves at the expense of the people through hoarding and profiteering of rice and other prime commodities: No privileges shall be granted by this Government to any merchant who will not honor the laws of the land or who will commit acts, which, even if not illegal, are immoral or prejudicial to public interest. I will not hesitate to take the necessary measures to stop hoarding, blackmarketing, and price manipulations and prosecute those who will resort to the same because in a democracy the welfare of the individual and of the people is the highest law and that law must be upheld without fear or favor.

The long-range solution to the rice problem consists of "a program for increased production" which shall be aimed at adequate supply to meet the demands of our fast-growing population, and, later, enable exportation of the cereal abroad. The buying activities of the Presidential Rice and Corn Committee, which offers an attractive price to rice growers, will increase their productivity and production. The attainment of sufficient productivity in excess of the demand and at a diminishing cost of production will lower the consumers' price at levels within their ability to pay and, furthermore, provide a reasonable margin of profit for the efficient rice grower, thereby making government price support in due time no longer necessary. Every possible assistance will be provided rice growers to increase their productivity, including adequate credit facilities, irrigation, fertilizers and the other aids to scientific agriculture. We will arouse a national effort for a successful long-range rice program for which purpose, we will enlist the support of Congress, all public agencies dealing with rice, farmers, merchants and the consuming public towards the realization of adequate rice production, distribution and stabilization, in order that the Government will be able to fulfill its first duty to the citizens, which is to insure provisions for the food of our people.

The third measure in our program is the use of research which will make full and comprehensive the solution of our rice problem. It is for this reason that our Government and people are gratified by the establishment of the International Rice Research Institute in our land. This is the reason why on behalf of our people, I have come here to participate in these ceremonies.

This phase of our program is aimed at developing high-yielding and disease-resisting rice varieties, and in addition, at developing varieties with greater resistance to blast and varieties with improved cooking and eating qualities. The studies on the utilization and effectiveness of the use of chemical and organic fertilizers and green manure crops, as well as on the contributory effect of the cultural practices like weed control, use of seed board varieties, pest and disease control, plant spacing, direct seeding versus transplanting, and the use of various cropping systems will be included in the activities of the program. There is every reason to expect that in undertaking these and other studies, the International Rice Research Institute will be a reservoir of scientific knowledge and information about the different phases of rice production. This Institute will save the different rice-producing countries including the Philippines, the time, expense and efforts in finding out for themselves the solutions to technical problems involved in rice production. We have the same objectives, the same zeal to make the Philippines self-sufficient in agricultural crops, principally rice. The Institute, therefore, will contribute immeasurably to the success of the rice and corn program of the Administration.

This Institute provides also a significant opportunity for the nations of Asia to engage in a cooperative effort to meet common problems like food, poverty, ignorance and disease. From this standpoint, I welcome the representatives and scientists of other countries who have come to participate in the activities of the Institute. The Philippines is ready to play its role in forging, among the nations of Asia, a bond for more cooperation and brotherhood in order that together we can contribute to the peace, freedom and well-being of mankind.

For all these, I convey to the Rockefeller Foundation through its chairman, Mr. John D. Rockefeller III, and its President, Dr. J. George Harrar; the Ford Foundation through its Vice-President, Dr. Forneest Hill; and to the International Society of Scientists the gratitude of the Filipino people for their humanitarian and scientific gift to the Philippines and to humanity—the International Rice Research Institute.

* Report to the NEC by the Interagency Committee on Rice and Corn Production and Consumption dated January 11, 1962.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal on the 23rd Anniversary of the Philippine Navy

Address of His Excellency Diosdado Macapagal President of the Philippines On the 23rd Anniversary of the Philippine Navy

[Delivered on February 9, 1962]

THE NAVY'S MISSION

I AM HAPPY to be with you on the occasion of the 23rd anniversary of the Philippine Navy. Young and small as it is, the Philippine Navy, during the past years, has performed its assigned tasks efficiently and successfully. In spite of limited means, the Navy has with credit accomplished not only its primordial duties but also manifold additional missions like ferrying of augmentation troops to areas where peace and order is to be maintained, extending help during floods and other disasters, and transporting persons to settlement areas. This is a retrospective view of the Navy's activities. Of paramount concern to us today is the part or participation of this organization in the common task of nation-building.

As an integral part of the military establishment, the Navy's primary responsibility is the naval defense of the country. A candid view of the geographical structure of our national territory alone will be more than sufficient to put in bold relief the magnitude of this mission.

The Philippines is an archipelago composed of approximately 7,100 islands located strategically in the geographic heart of the Far East. She has an irregular coastline of approximately 14,400 miles or about twice that of the United States. She has a total land area of 115,707 square miles, almost the size of England or Italy and a sea water four times as large. To safeguard this vast expanse of water not only within the islands but also around the whole archipelago is certainly an enormous task. In times of war, the fulfillment of this mission will demand the utmost of human effort and sacrifice. In time of peace, the task is not easier.

The geographical positions of our island-groups present a vulnerable target for clandestine illicit operations which, if not effectively neutralized or quelled, will gravely imperil national security and subvert the national economy. The possibility cannot be precluded that an enemy, taking advantage of our geography, will surreptitiously land agents or propaganda materials into our shores. This will lead to the subversion of our democratic way of life and sabotage of our economic growth. The forestalling of this danger is a prime responsibility of the Philippine Navy.

During the months preceding the last elections, I had occasion to visit almost every coastal point and remote ramparts of our archipelago. In my travels, I saw the importance of developing and maintaining our waterways as the life-blood of our country's progress and development. Despite notable advances by our Nation, in recent years, there is still much poverty, disease and illiteracy in far-flung areas, practically cut off from all forms of government assistance by inadequacy of water communications. The Administration's program of alleviation of the plight of the common man requires specific improvement in the over-all level of economic welfare and its distribution throughout the length and breadth of the land. Even today, our interisland fleet of merchant ships has not been built up in such quantity as would effectively bring the blessings of progress to the less fortunate in rural areas. It is expected, therefore, that the Navy will do its best to play its roles in the socio-economic program of the government and thereby enable those regions that have lagged behind in progress to participate more fully in the over-all national progress.

In my State-of-the-Nation address to Congress, I recommended the creation of the Anti-Smuggling Office to eradicate smuggling activities that seriously deprive the national treasury of customs and internal revenue receipts. In making this recommendation, I was fully aware of the rampant smuggling activities in the South. I note, with no small amount of satisfaction, the accomplishments of the Navy in helping curb this nefarious activity. It is my desire

that this laudable public service be continued and intensified until smuggling is wiped out and this roadblock to a healthy and progressive economy is removed.

The Navy's mission is embodied in Executive Order No. 389, series of 1950. The pervading spirit of the law calls for the Navy to contribute in time of peace to the establishment of a healthy climate for economic growth of the country by the zeal and vigilant guardianship of national security, and the uncompromising enforcement of the law, particularly customs and fisheries laws. This is another important concern of the Navy in concert with other law enforcement agencies of the government.

I am aware of the magnitude of the task before you and the dimension of effort you have to exert, even if only to achieve a modicum of success. I realize that the Navy's foremost problem today is the inadequacy of ships and the obsolete condition of the small number that we have. Measures will be undertaken to remedy this situation.

In surveying the problems of the Navy, I must say that I have particular concern for the welfare of the naval enlisted men. The feasibility of uplifting the living conditions of the personnel of the Navy is within our reach. In the budget that I submitted to Congress for approval, I provided for a higher rate of pay for the enlisted men. Aside from a realistic increase in pay, the improvement of the housing conditions of the enlisted men will be one of the chief concerns of the Administration.

I now refer to the problem of morality. It is gratifying that the Administration's effort to effect a moral renaissance in the government service finds fertile grounds in the Armed Forces. Perhaps, more than any other government official, the man in uniform is looked upon by the public as an example of decency and morality in public office. Steeped in traditions of loyalty, courage, and integrity, the military man should be a model of decorum and ethical living. The traditions hallowed by practice and military law expect him to act in a manner becoming not only an "officer" but also a "gentleman." This indeed points to a high degree of virtue and morality worthy of emulation by those below them and by the public. I call upon you, men and officers of the Navy, to set examples of honesty, integrity, and uprightness not only in public life but in your private life as well.

Lastly, as your Commander-in-Chief, I say to you, "work well done" for previous years' accomplishments. For the coming years, let us approach the future fearlessly and hopefully, ever conscious of the immensity of the task before us and willing to exert maximum effort for a successful accomplishment of our mission and for the security, prosperity and happiness of our people.

Source: Presidential Museum and Library

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal before the Asian Press Conference

Address of His Excellency Diosdado Macapagal President of the Philippines Before the Asian Press Conference

[Delivered in Manila, February 12, 1962]

THE ASIAN PROBLEM OF FREEDOM

I DEEPLY APPRECIATE the privilege of addressing this select group of journalists from the nations of Asia gathered here at the First Asian Press Conference under the sponsorship of the National Press Club of the Philippines.

It is well that the peoples of Asia, through various segments of their societies, should have more intercourse and dealings with one another. The present Administration of the Philippine Republic is committed to the policy of promoting this expanded intercourse among Asian nations both in word and in fact. It is in this spirit that I greet you all.

We, the peoples of Asia, must promote more dealings among ourselves because it is our destiny to be with, and among each other. Not only are we bound to deal with each other by the destiny of geography but by the identity of vital problems. We are all confronted generally with the common difficulties of poverty, disease, illiteracy and underdevelopment. All of us aspire to the rapid and efficient utilization of our natural resources in quest of a life of abundance in freedom for our impoverished peoples.

That is an essential qualification of our common aspiration for a better life for our peoples—freedom. We do not seek prosperity alone; we seek it in freedom. Asians who have been hit by the lash of bondage understandably love liberty. We therefore seek an abundant life in liberty. In our souls, as we thirst for both prosperity and freedom, we know that if we cannot by any chance have both, if we were forced to make a choice between prosperity and freedom, we would rather have freedom and postpone prosperity than have prosperity without freedom.

Indeed, the critical problem of Asia is freedom. This problem was partly solved for most Asian nations when after the war, one by one beginning with the Philippines, those Asian nations that had fallen in colonial bondage under Western powers obtained their independence from their former mother countries. The struggle for freedom, however, did not necessarily end with political emancipation. A residue of bondage whether economic, political, or sociological, may have remained with the attainment of political independence—a partial bondage which demanded a continuation of the struggle in a perhaps milder, friendlier but nevertheless sustained manner for such full freedom as is realizable by man, which is the dream and the right of every sovereign people.

Even as Asian nations are engaged in a friendly struggle for the fullness of freedom from their former mother countries, they have become beset by a new threat to freedom which ensues from a global ideological conflict. Setting aside the merits of the two contending ideologies, the very ideological conflict has posed a threat to the freedom of Asian countries. Those who are opposed to the communist ideology find their freedom and survival facing a more deadly menace than the tribulations of past colonial bondage. Those who seek to stay clear from involvement in the ideological conflict find their freedom of action compressed by the contending groups. Thus, the manacles of Asia have become heavier by the threat of a new ideology that seeks to spread its tentacles around the earth.

Yet the greatest struggle in every Asian nation for freedom lies and occurs within itself. Being plagued by many common problems of poverty, Asians also have a common quest: the pursuit of democracy, the political system of freedom. Asians may differ in their attitude towards the threat of enticement of a new ideology and in a number of other things; but we do not differ in aspiring to more freedom for our citizens. Instinctively, we have agreed that

personal freedom can best be achieved in democracy as we operate and recast our varied governmental systems towards the enjoyment of more individual freedom, which is the essence of the democratic or free way of life which has become the common goal of our varied endeavors.

It is not out of pride but out of consciousness of the implied responsibility, that I say the Philippines has been moving forward to the common Asian goal of political democracy based on direct popular suffrage for over fifty years. It is from the wisdom of this experience that we could, as demonstrated in our most recent election, change from one administration to another without any major or minor upheaval and turmoil. We Filipinos take issue continuously with each other politically, but we are strongly united behind the concept that our noisy and continuous political squabbles are the outward manifestations of a profound passion for freedom and the peace that it requires for existence. We are united in the firmness against violence, especially the type of violence that will subvert our freedom and repress the will to exercise the right of choice. For all our political bickerings, should that freedom and right of choice ever be threatened, we are and always will be one and united in fighting—with our lives if necessary—any threat or menace to our freedom and right of choice.

In short, we are as close as any other Asian country to the goal of a vibrant democracy. One of the reasons for our having progressed towards full freedom is our recognition of the full freedom of the press. Freedom of the press has become a tradition with us, as much as liberty in general has been our national spirit and the fullness of which had been and continues to be our ultimate national goal. In our relentless endeavor in the past to establish a democracy in our land, men of the press dared the might of those transitorily in power and willingly went to jail to champion the cause of press freedom. Today, open the pages of Philippine newspapers, and you will surely read an editorial, a column, a reader's letter, or a news item criticizing to the verge of libel and abuse the highest officials or the most distinguished citizens of the land. The following day, you will not read of those high officials and those powerful citizens taking reprisal against their critics but instead exercising the freedom of expression that is the right of all, the aggrieved official or citizen answers or hits back with the power of language against his critics.

What I am trying to say is that freedom of the press has become imbedded in our democracy as deeply as anywhere else not only in Asia but, I think, throughout the world. However others view it, we are satisfied and gratified that it is so. Only recently, I expressly announced the policy of my Administration on the freedom of the press in a breakfast meeting with the publishers of our major newspapers. It is a policy that is founded upon the profound passion of Filipinos for freedom. Our policy is that: the Administration supports fully the full freedom of the press; this Administration will not do anything to curtail that freedom but on the contrary will do everything to protect it; that as between the State regulating the freedom of the press and the press indulging in license, my Administration will prefer to risk license by the press than undertake regimentation of the press. Press regimentation is dangerous and may lead to tyranny whereas the lapse of press freedom into license is occasional and transient because freedom has innate qualities of survival, restraint and self-discipline. All these properly make freedom of the press an inviolate part of the system of human freedom itself.

In holding this Asian press conference in Manila, you may then have come to the right place. There is hardly anything more that our Government can do for freedom of the press or for that matter as head of the government, can I expound new theories of press freedom. If you who have come to this conference from other lands seek to know how to expand the frontiers of press freedom, everything that ought to be known can be obtained not from any discharge of duty on the part of government authorities but from the actual practices of freedom of the press in this Republic.

On the other hand, it is you, men of the press, who have a duty to perform to your government and your people. The important role of the press in the enlightenment of peoples, in the dissemination of information, in the extension of cultural influences, and in broadening the areas of human understanding—all these, individually and collectively, carry a concomitant responsibility. It is a responsibility that weighs on every newspaperman for the lives, the minds, the destinies of nations, are involved. It is a responsibility that calls for the exercise of self-discipline, for adherence to truth, for justice, fairness, and even human kindness. It is a responsibility that shies away from petty, malicious, vicious and destructive criticisms. Great as your roles are in your own respective countries as individuals, greater still is your role, as a group, in the making of history. Heavy too, are the burdens of your individual and collective responsibility, and exacting are the demands on your individual integrity.

Full freedom of the press is recognized by us. It is your duty to see that such freedom does not degenerate into license, that such freedom is not abused. Freedom is a priceless boon. All those who aspire for it, whether it be freedom of the press or any other kind of freedom, must be worthy of it. You, men of the press, must then be worthy of your freedom.

There are many ways in which you can enhance that worthiness. Allow me to cite a few examples. Do not, for instance, be satisfied with superficial knowledge and thinking. Continue to learn and inform yourself for it is a curious truth that the more one learns, the more one realizes how little he knows. The more you learn, the less will there be the tendency to pontificate without good basis simply because you may have the privilege of the ready newspaper space.

For another thing, seek to develop in yourselves the virtues which you would want your officials and your people to have. It is not worthy of the invaluable freedom of the press for a Man of the Press to attribute to officials or to people weaknesses from which he himself suffers in equal or greater degree. This is even a worse offense than license; this is hypocrisy.

Thirdly, Men of the Press, I submit that the press is a noble instrument for public service. Its freedom is not for the Men of the Press only to enjoy, much less to abuse, but to put to the service of the people. This service is no less exacting in unselfishness as that which is expected of the public official or the civic and religious leader. All those who own, run and operate the press therefore must and should be unselfish and disinterested in their labors, as the public official, the civic and religious leader must and should be unselfish. As the public official is asked to act in office not for gain but for service, so, too, the men of the press must utilize their boon of freedom not for profit, material gain, or the promotion of political and business interests, but for the service of the people. To do otherwise, for a Man of the Press to go about his labors in the pursuit of material and personal aggrandizement, would be a greater misdeed than license; this would be a sordid profit venture in the guise of press freedom and the people's service.

I need not proceed along this vein because surely the men of the press must know even more intensely than others how the press may put into play the quality of self-discipline if they are to be worthy of its freedom. I urge especially the Philippine press to exercise and manifest this self-discipline as the commensurate responsibility of its untrammelled freedom.

To the men of the press from other lands, may I say that today you are among the most important groups of men in Asia. Hundreds of millions of Asians turn to the press for guidance, for help, for justice, for information, for knowledge. For this reason, the press of Asia must be free. It should be so, for freedom cannot exist in a country without free press. In any place or land, look for a free press and there you will find freedom. I urge the consideration of the thought that as your peoples endeavor to reach out to the system of freedom which is our common goal, you can establish, as we have done in our Republic, a political system of freedom with the freedom of the press as one of its impregnable pillars. A vigorous freedom of the press will push your peoples nearer to the attainment of the system of liberty; setbacks in the exercise of freedom of the press will push the Nation farther away from the free way of life and back towards bondage.

To you, all men of the press of all the nations represented in this meeting, I give the fond greetings of the Filipino people and express the fervent wish that not only will you be worthy of the freedom of the press but that you shall, in ever increasing measure, utilize your right of freedom as a mighty weapon for the liberty, peace and well-being of the nations of Asia and of the whole world.

Source: Presidential Museum and Library

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**NATIONAL GOVERNMENT PORTAL – EDITED AT THE OFFICE OF THE PRESIDENT OF THE
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Address of President Macapagal before the ninth National Congress of the Philippine Sugar Industry

**Address
of
His Excellency Diosdado Macapagal
President of the Philippines
Before the ninth National Congress of the Philippine Sugar Industry**

[Released on February 13, 1962]

PROBLEMS OF THE SUGAR INDUSTRY

I AM GLAD to be with you today. I have more than an average interest in the welfare of the sugar industry. Speaking candidly because there is no reason why we should not be candid to one another, many of the leaders of the sugar industry during the election did not believe my special interest in the industry altho they knew that I come from the second-largest sugar producing province in the country, Pampanga. But that is history. The important thing now is that although many leaders of the sugar industry worked hard against my candidacy during the elections, now that I have won, I cannot alter the fact that I come from the second largest sugar province in the country, that I have more than an average interest in the well-being of the industry, and that, therefore, as President of the country, you can count on me to help in seeking the salvation and in promoting the growth and advancement of the sugar industry.

I am not only interested in the well-being of the sugar industry; I believe that the Government has the duty of helping the industry. This is because sugar has long been a pillar of the Philippine economy with a great history. The industry exerted tremendous efforts and extended great assistance in our country's efforts for the establishment of the Commonwealth Government and for the final acquisition of independence from the United States. Confronted with the choice between the independence of the country coupled with the loss of the American sugar market on the one hand, and continued political subjection coupled with the enjoyment of the privileges of the American sugar market on the other, the sugar industry stood with the late President Manuel L. Quezon in 1934 in his demand for immediate, complete and absolute independence for our country.

During the last world war, the sugar industry refused to cooperate with the enemy and even went to the extent of completely abandoning operations and purposely sabotaging its production facilities to prevent the enemy from deriving use and sustenance from them. Likewise, when the country's economic welfare demanded that the undesirable features of the Bell Trade Act be changed, the sugar industry did not hesitate to authorize the Laurel Economic Mission, publicly and in writing, to disregard the welfare and existence of the entire industry and to take into account only the paramount welfare of the country as a whole.

I also believe that while the Government itself should not engage in business, it is the business of the Government to help and to lead in the rapid and sound economic development of the country. It was for this reason that since I assumed office, I have made it a matter of policy to undertake continuous consultations with the leaders of all sectors of the economy so that the Administration will be kept fully informed not only of their laudable and invaluable contributions to national progress but also of the problems that beset each segment so that the proper steps and remedies may be taken for their effective solution. It was for this same reason that I have acted to provide economic leadership in the country by moving swiftly to restore free enterprise in order to enable all sectors of the economy, including sugar, to have a breathing spell in their operations and realize better returns from the fruits of their endeavors.

This action consists of the decontrol program which I promised during my campaign to implement and which actually took effect on January 22 this year. I am confident that the program will benefit, as it has perhaps already benefited, the sugar industry in the same manner that it has been and shall be a great stimulant to the economic development of the whole country.

I believe that the sugar industry has at least two important problems. The first is the expiration of the Laurel-Langley Agreement eliminating our special trade relations with the United States twelve short years from now or at midnight of July 3, 1974. From then on, whether or not we like it or unless other arrangements are agreed upon between the United States and our Government, our country will have to pay full tariffs on all its exports, including sugar, to the American continent. If steps are not now taken to prepare yourselves for its inception, the problem that this will cause will be graver than that poised by any other problem, past or present.

In this regard, efforts could be exerted by the industry to shift its emphasis from purely agricultural to integration and diversification especially in the utilization and industrialization of its by-products. I need not tell you that sugar has its one thousand and one myriad uses which if properly exploited could contribute greatly to the economic development of our country.

Your second and immediate problem is the threat of the institution of a global sugar quota system * by the United States Government in her imports of the commodity. If adopted, this will bring about the abandonment of premium prices paid for our country's U.S. sugar exports and the substantial reduction of our foreign exchange earnings from this source by nearly two-third or between \$70 and \$80 million yearly.

The adverse effects of the implementation of this system will tell greatly on the social and economic structure not only of the three million dependents of the sugar industry but also on the entire Filipino Nation.

There is reason to fear that the materialization of the threat may cause the final extinction of one of the country's strongest pillars, if nothing effective is done about it. I recognize also that under the circumstances you have found it extremely difficult and perhaps even impossible to consider the continued expansion of your production efforts.

If you were to continue increasing production and the threat materializes, the result will be tragic. It will be more so to the small sugarcane farmers owning not more than five hectares of land each and who compose 95 per cent of the country's sugarcane planters. Most if not all of them will become heavily indebted and most perhaps will have to abandon their operations.

On the other hand, if you were to cut down production and the threat does not materialize, we will find ourselves facing disastrous consequences. Sugar production will be short. We might not even be able to fill our basic quotas—400,000 short tons for domestic consumption, 980,000 short tons for our basic quota in the United States market, and 49,000 short tons in the world market. Much less will we be able to fill whatever additional sugar quotas might be granted our country by the United States Government.

This, indeed, is a dilemma which you face. On the part of the Administration, I give assurance that this Administration will do everything to oppose and prevent the implementation of this system for the protection and well-being of the Philippine sugar industry.

Already, proper representations have been made with the United States Government so that the American Congress and the American people as a whole will consider the disastrous consequence that this proposal will cause on their closest ally in this part of the world. Continuous efforts will be exerted to present the just position of the Philippines on this question.

With this and our faith in the sense of justice of the American people and Government, I advise you very strongly to continue with your increased production efforts. This is the less risky of the two alternatives facing the sugar industry. Basically, it is better to have an oversupply than an undersupply of the commodity.

If in the past you were able to rise up to the challenge and proved your capacity, I am confident that you can just as well if not better rise up to this new challenge of the global sugar quota system. Surely, you will have the courage and the fortitude to face this new problem squarely and frontally. Your Government, and this Administration in particular, will not abandon you. This I can guarantee and this you can all be sure of—we will be by your side.

There is one aspect of the sugar problem which a sense of realism will not allow us to ignore. It is the correlation that is being given by certain quarters between the Philippine sugar and tobacco industries. It has been reported that certain tobacco interests have threatened to fight Philippine sugar if imported Virginia leaf tobacco is not admitted into the Philippines. In this connection, I would like you and our people to know that as far as the present Administration is concerned, we shall not be a party to any arrangement that will sacrifice one industry for another but rather we will approach the problems of the sugar, tobacco and other industries as the interest of each industry and the sound development of the national economy require on the basis of fairness, justice, reason, and the people's welfare.

I have said that the Government has a duty to the sugar industry. Reciprocally, the sugar industry has a duty to the Government and to the people.

The first of this duty is to your laborers. With the commencement of decontrol last month, a profit windfall has accrued to the industry. With full decontrol effected under the new Administration, this profit windfall has increased. I trust that you will share this windfall in adequate measure with your workers who not only constitute one of the indispensable factors of production but who have as all other human beings a just aspiration and right to better life.

I am conscious of the efforts being currently made by all of you to improve the working conditions of your laborers and to further grant them higher returns for their endeavors through fair and equitable adjustments in their present wage levels. However, the problems confronting the industry should not in any manner deter your undertaking these adjustments even in advance, subject to further revisions. The laborers occupy a higher plane in the production process; they have to eat and live in the meantime that your problems await solution.

I am glad to note that many among you have already made such adjustments while studies and recommendations are being formulated on proper wage levels in your farms. To all sugarcane planters who have done this already go my highest appreciation and commendation. For those who have not yet done so, I must point out the urgent need to do so because these adjustments have long been overdue. The sugar industry as the most enlightened and as the leader of the agricultural sector of the economy should set the pattern and be the model for all other agricultural industries to follow. Conscious as you have always been that an enlightened labor group should never be taken for granted, I know you will not be found wanting in this regard. I am sure your usual efficiency and your strong sense of moral and bounden duty will not further delay the implementation of the adjustment process.

Another duty of the industry at the present time is to keep the price of domestic sugar to our consumers at a reasonable level. Towards this end, there is need for more efforts to guarantee steady and adequate supply of the commodity at reasonable and fair prices both to the country's consumers and the producers.

I am glad to note that the industry has successfully enabled the Government to increase the supply of the commodity from 200,000 tons about a year or two ago to 400,000 tons this year. What remains to be done in this regard, therefore, is to peg the price of the commodity according to the ability of the consumers to pay for it at the same time that the producers are enabled to realize just and fair returns from their endeavors. Success in this direction will mean greater consumption and increased demand for sugar to further benefit the industry's three million dependents in terms of increased employment, more income and higher standards of living.

Hand in hand with attempt to assure adequate supply and stable prices for sugar, efforts must also be exerted to expand the domestic market by educating more of our countrymen to increase their consumption of the commodity.

It is paradoxical that while the Philippines stands as fifth to the largest sugar producing country in the world, that is Cuba, it is second to the last in per capita consumption of the commodity. Health authorities have established that an

individual should consume 16.97 kilos of sugar annually. The average per capita consumption in our country is only 10.12 kilos yearly or 6.85 kilos less. Consider this in the face of the fact that the national population has increased to 27.5 million according to the latest census undertaken.

This aspect of the sugar industry's problems should command greater attention not only to maintain the price of domestic sugar to consumers at a reasonable level but also to assist the industry in preparing for the termination of preferential trade with the American market in 1974.

Lastly, and speaking with the candor that the President of the Republic owes to the people for the national welfare, it is your duty to the country to refrain from engaging in organized power politics as a means of promoting the welfare of the sugar industry. You may take sides in politics as individuals but I believe that it is neither in the national interest nor in your own to engage in partisan politics as an organization. The promotion of the sugar industry, or any industry for that matter, ought not to be sought through the attainment of political power so that such power may be wielded to seek a privileged position for the industry concerned but should be sought through a demonstration of the merits, value and just claims of the industry in the over-all economy. To seek the well-being of an industry through control of political power, through control of vital agencies of public authority and control of high officials, not only places those engaged in the industry in an unwarranted risk but jeopardizes the health of our free political system which must at all times operate not as the captive implement for the benefit of one sector but for the general welfare of all the people.

I have spoken to you with this candor not for my benefit but for your benefit and for the good of the country. I am so convinced that it is not conducive to the public good as well as to your good for any industry to engage in an organized way in partisan politics that if I were to run again for public office and you offered me, as an organization, your political and material support for my candidacy, I will thank you as a matter of courtesy but I will prefer that you did not give such organized support to me or to any other politician because the industry should not be the concern of, and should not be concerned only with, one politician or one political party but should be the nonpartisan concern of the entire Government and Nation.

My friends, I have presented what I feel are your most important problems and what I think should be your paramount objectives in your efforts to contribute the best you can for the promotion and advancement of our country's welfare. Besides all these, allow me to make one parting request.

Give my Administration an opportunity to cooperate with you and to help you. In your efforts, make me privy to your plans; consider my Administration an interested partner in the solution of your problems. My greatest concern as it is yours is the welfare of our beloved country. Therefore, let the well-being of all our people be our paramount and mutual objective.

* This threat materialized when the U.S. Congress instituted the global sugar quota system on July 13, through what is now known as the "Sugar Act Amendments of 1962".

Source: Presidential Museum and Library

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**NATIONAL GOVERNMENT PORTAL – EDITED AT THE OFFICE OF THE PRESIDENT OF THE
PHILIPPINES UNDER COMMONWEALTH ACT NO. 638**

Address of President Macapagal before the National Economic Protectionism Association (NEPA)

**Address
of
His Excellency Diosdado Macapagal
President of the Philippines
Before the National Economic Protectionism Association**

[Released on February 23, 1962]

“MADE IN THE PHILIPPINES”

DUE TO THE PRESSURE of urgent matters required in setting up a new Administration and launching its program in a setting where an unfriendly political group is in control of the legislative branch of the government, I have been constrained to minimize my speaking engagements and to decline numerous requests for my appearance at their affairs. I have, however, accepted here this invitation and made an exception in your case by coming here this noon because I particularly believe in the importance of your organization and the validity of its objectives. I wish to let you know that my Administration is ready to help your organization in the attainment of your goals within the context of our over-all socio-economic program.

The NEPA has a laudable history. Twenty-eight years ago, a group of merchant pioneers ventured to launch a campaign to draw the attention of Philippine consumers to the products of our native industries. They called it economic protectionism and its intent was to popularize the study of economics along with its practice. The founders of the movement had no formal instruction on the subject but they drew from the experience of other countries and from actual practice.

I pay tribute to the achievement of these men, through the National Economic Protectionism Association which they founded, in their capacity as private citizens in formulating a concept for a sound national existence. Their efforts have been so fruitful as to have established the worthy connotations which the word NEPA carries today.

NEPA is not only the name of the goods that come out of the factories, ever growing in volume and number and enhancing in quality and size, from local raw materials and products. NEPA also indicated the use of such articles and their popular acceptance on the part of consumers. NEPA comprises, too, the handling and packaging of such goods for general distribution and all the services connected in this enterprise in one form or another. Consequently, we cannot turn our gaze anywhere and at any time without encountering NEPA.

This pervading presence of NEPA gives wholesomeness and vigor to our economic effort. It is a stimulus for the development of a sound economy, for the achievement of the goal of our economic efforts and the stimulation of the required production.

Years ago, only a few people owned native factories or dealt exclusively in native manufactures. Times have changed. Not only have products “Made in the Philippines” ceased to be represented by a few manufacturers, such as shoes, slippers, abaca ropes, copra and coconut oil, weaving hats, old-fashioned native textiles and furniture, but there has today grown a greater variety of Philippine business enterprises in the field of manufacturing, including drugs, canned foods, paints, fertilizers, steel products, flour mills and paper mills.

Besides these purely industrial groups, NEPA has extended to investment and commercial banking, insurance and credit management which have become integrated in the business world. Notable are Filipino shipping executives, mine owners and operators, transportation men, log and lumber operators who, together with the other groups, have

promoted a more alert, synchronized and vast business activity. No longer do we count only with a single business chamber. We now have a variety of individual business chambers, like those of industries, rice, mines, sugar, textiles and others which in their totality represent an impressive business that is now in Filipino hands.

This transformation has taken place in a little over a quarter of a century since the foundation of the NEPA. The success of NEPA is remarkable considering that the last war had practically wiped out all our advances in manufacturing by destroying almost all our factories at tremendous expense to native capital.

What is more vital in the progress of NEPA has been the growing contagion of its spirit among our people. Centuries of colonialism have developed in the Filipino an appetite for foreign things and a corresponding lukewarmness for domestic creations. Lately, there has developed a bend in this unfortunate attitude. Now, more of our countrymen have turned to the use of locally-made articles. What is more significant, more and more Filipinos express pride in the creation and quality of Filipino products. The momentum of NEPA is definitely moving towards a crescendo. The Administration will lend its effort to maintain and heighten this momentum. For the health and vigor of our economy as we pursue the rapid economic growth that our duty to the impoverished masses has called for, I urge our countrymen to take a new and appreciative look at the products of local industries and to increasingly patronize them. Every Filipino who increasingly patronizes products made in the Philippines performs not only a deed of wisdom but an act of patriotism. As a Filipino, I shall find highest happiness on the day, when Filipinos, holding admiringly in their hands a local product, shall say with pride, "This is made in the Philippines."

The past achievement of NEPA provides a rosy prospect of its vital role in the national economy as the economy has now taken off under our Administration from the traditional type of economy to a flight towards maturity. To spark this takeoff we have dismantled the provisional controls which were instituted in 1949 due to the excessive importation of consumer goods and, which, although meeting an emergency problem, were restrictive of free enterprise and healthy economic expansion.

To those industries which thrived under a controlled economy and which now feel that the abolition of controls may affect them adversely, I would like to quote what the late Manuel Quezon said on a similar occasion.

"The only sound basis for a national economy is productive enterprise. Experience counsels that this field be left largely to private initiative. This is a postulate of the profit system and the institution of private property. Our Constitution is committed to this social philosophy. No other system has been found so far to be of practical permanent value. In this regime alone can the natural human impulses have free play and be put to advantageous use. Other system may, perhaps, temporarily increase production and add efficiency to the economic machine, but only at the cost of the suppression of the liberties of the people."

Thus we have put an end to the system of economic controls. The decision has been described as the most drastic and constructive step taken in the last decade concerning the national economy. I wish to assure everyone that the decision was arrived at, as dictated by the most enlightened interest of the Nation, to be the proper solution for the harmful problems that plagued the system of controls and for the removal of the shackles that prevented a healthy and natural growth of our potentially rich economy. In instituting decontrol, we have followed the only basis of all my actions and decisions as President of our country, which is, that I seek no personal benefit of any kind and seek only and always what is good for our country and people.

The existing industries need not have any misgiving that with decontrol, government assistance and interest in their growth and welfare will in any way be diminished. It is definite that NEPA has come to stay as it is now well-defined in the sphere of our national economy. In an atmosphere of free enterprise, existing industries will be accorded credit facilities for productive ventures and constantly widening markets for the products of all such ventures. For the purpose of providing ample credit facilities for productive enterprises, I have taken steps to augment the lending capacity of the Development Bank of the Philippines from the assets of the Government Service Insurance System and the Social Security System. In addition to this, I have also taken concrete steps to establish a private industrial development bank to insure wider availability of industrial and productive loans. I have directed that in the granting of loans by the government lending institutions, preference shall be given to Filipino businessmen.

The soul of our socio-economic development program is truly NEPA. Agriculture is Filipino. Mining requires at least 60 per cent Filipino ownership; indeed, some mining enterprises are purely native-owned. In trade and distribution, Filipino ascendancy is steadily in progress. In the key field of industry, more foreign capital is needed but the determined policy is for factories that use locally produced raw materials.

Above all, the cherished objective of all enterprises is to concentrate the benefit on the masses of Filipinos in order that they may at last know the joys of an abundant life. To the extent necessary to help us hasten this blessed day of abundance for the masses, participation of friendly foreign capital may be regarded as part of the external physiognomy that reflects a blending humanity in this space age but behind the blended exterior the deep reality, the soul, is indestructibly Filipino.

The system of free enterprise in which we pursue our people's economic, social and spiritual well-being is, therefore, fundamentally and imperishably NEPA, the true and cherished dream of the Filipino Nation.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal before the League of Governors and City Mayors

**Address
of
His Excellency Diosdado Macapagal
President of the Philippines
Before the League of Governors and City Mayors**

[Delivered at the Malacañang Social Hall, March 2, 1962]

ECONOMIC AND POLITICAL AUTONOMY

IT IS A GREAT PLEASURE for me to be addressing the provincial governors and city mayors of the Philippines gathered here in your annual convention. For the interests of local governments and local officials are close to my heart. Decentralization of government and local autonomy are basic platforms on which I sought the mandate of our people. The restoration of as much governmental power as is practical to the local units of government is one of the main goals of my Administration. And the economic development of specific regions and individual provinces is an essential part in the Administration's economic program.

The League of Governors and City Mayors was not formed by the Constitution. It was not created by legislation, nor by presidential decree. The League is an association of free men, organized at the initiative of the governors and mayors themselves, formed for individual advancement and the common interests, for the welfare of both the communities which you represent and the Nation which they compose.

This fusion of individual initiative and free cooperation is the essence of democracy. Freedom without discipline is anarchy; discipline without freedom is totalitarianism. Freedom and discipline together is democracy.

This spirit of democracy, of initiative and cooperation, of freedom and discipline is the spirit on which the Administration relies for the success of its program. We do not believe that cooperation should be imposed from above. Nor do we believe that individuals should be left to themselves without direction or purpose. We believe that it is the mission of leadership to inspire cooperation, while bringing forth, by example and by providing the proper environment, the full flowering of the individual personality towards creation and achievement. It is through their individual initiative and free cooperation, through their own capacity for self-reliance in free communities, that we seek to incite the people to greatness.

Your display of the spirit of initiative and cooperation is all the more meaningful because it is manifested by the political leaders and chief executives of our provinces and cities.

The growth of the individual and common achievement in voluntary cooperation can be realized, certainly not through the imposition of an all-too-powerful central government, no matter how benevolent, but through the smaller communities through which the people can effectively govern themselves and whose governments, in a much truer sense than the national government, are verily their own.

The main problem of provinces and cities and all local governments today is basically power and freedom, the problem of being strait-jacketed by an overcentralized system of government.

A brief glance at the history of our people will tell us that it was not always thus.

You will recall that our forefathers settled in these islands in small self-reliant communities called *barangays*, through which they traded freely with their neighbors and with merchants from across the seas. These communities were ruled by headmen who, while perhaps not popularly elected, were respected and freely obeyed by the people and whose opportunities for abuse were greatly curtailed by the social sanctions and pressures imposed by the closely-knit communities.

The government of the *barangay*, though crude, was nevertheless effective for its own purposes because it embodied the personality and aspirations of the people.

Then the Spaniard came, with his sword and his cross. While bringing us the blessings of a new faith, the Spaniards, in the accepted tradition of the big power intent on efficiently governing its colony, set about gathering all governmental powers in Manila. It is one of the classic methods of colonialism to centralize government in the capital, to deny the subject people the benefit of strong local governments, the better to subjugate and the more efficiently to control them.

It is significant that one of the most glorious achievements of the Philippine revolution against Spain was the framing of a Constitution in Malolos, which called for the abolition of a main feature of colonial rule—the centralized system of government.

Article 57 of the Malolos Constitution states:

“The conduct of the interests peculiar to the town, the provinces, and of the state belongs respectively to the popular assemblies, to the provincial assemblies, and to the active administration, with reference to laws, a upon the basis of the most ample decentralization and administrative autonomy.”

In Article 82, the same Constitution sought to restore the right of self-government, administration and taxation to the local units of government.

But the First Republic gave way to the pressure of Dewey’s fleet in Manila Bay and the force of American arms. The Americans, indeed, gave to local governments a measure of autonomy. They instituted municipal elections. But with the consent of Filipino politicians, they retained in the capital a great portion of the powers of administration, legislate and taxation.

The Filipino had a chance, like the patriots at Malolos in 1899, to change all this, to transform the people’s colonial mentality of dependence on an omnipotent disposer of power into a spirit of self-reliance and initiative, when in 1934 we framed our present Constitution.

A delegate to the Constitutional Convention, Exequiel M. Santos of Nueva Ecija, wanted our people to seize this opportunity to wipe out the vestiges of colonialism. He was a former provincial governor like you, and he urged that the Constitution provide for greater local autonomy. He said.

“I say, Mr. President, that the question of local autonomy is important, because granted sufficient autonomy, our municipalities and provinces can not only effect greater local improvements, but the said instrumentalities of our local governments can lead their inhabitants to greater progress in agriculture, in commerce, in industry and in culture.

“ . . . The powers in our present governmental system are so centralized that a province or municipality to be able to do something towards its own development or on matters of its own concern will need the approval of the Central Government. Should it happen that the Central Government is in the hands of the opposite party or of the opposite belief, then it is altogether doubtful whether that municipality or province can carry on that project. Then imagine, Mr. President, a provincial governor, elected by the people and carried by popular mandate to the highest executive seat of his province, subjected to the jurisdiction of an insular official, whose appointment he owes not to the people but to another appointive official.”

The Constitution as finally drafted by the Convention and the past political practices since then only confirm how prophetic these words were.

Only two days ago, one of your colleagues was quoted as complaining against the excess of power in the Manila Government and the lack of it in the provincial governments.

What do I and the Administration intend to do about this? you ask. Listen to the Reform Program of the Liberal Party, drafted last year:

“Government powers will remain in the national government to the extent required to implement national policy and to meet local needs beyond the capacity of local initiative and autonomy.”

“The bulk of basic power will be restored to the people through local governments. These will be given powers of administration, policy determination, taxation and such others as are needed to provide for the optimum social, economic, cultural and political growth of their communities.

“This dispersal of power will enable small communities to provide for their local needs which heretofore have been catered to by the national government through the Pork Barrel System. The Pork Barrel System will be abolished.

“Public works projects will be undertaken by the National Government in consonance with the over-all economic development program. Serious consideration will be given to measures which will result in the automatic release of funds for projects upon certification of the Auditor General on the availability of funds.

“The power of appointing local officials shall be progressively transferred to local governments.”

This is a commitment of the Liberal Party and of my Administration. I assure you that it will be fulfilled in due time; indeed its fulfillment has already begun.

However, we are all aware that political decentralization would be an empty gesture unless accompanied and supported by economic decentralization. The benefits of increased local autonomy cannot be availed of, increased political power cannot be effectively exercised by local units, unless the economic base for this autonomy and this power is developed. Regional autonomy must be accompanied by and based on regional development.

I have submitted to Congress my five-year socio-economic program. This is a program for over-all national development. We have established targets in time. But we have not laid down priorities as to space. We have yet to evolve detailed plans and timetables for specific areas. These entail separate studies for each area; for conditions, resources and stages of development vary from region to region.

Of what shall a region be composed? What factors shall determine the composition of an area intended for development?

This would depend on the kind of development desired, on the nature of the projects envisioned, or on the characteristics of the general area.

The boundaries of a region for purposes of development may be determined by psychological and ethnological factors, such as language, culture and traditions. Thus, the Ilocano area may be considered, or the Muslim area, etc. Or the boundaries may be legal in nature, such as provincial boundaries. Or the division may be based on economic factors; for instance, the tobacco area as a whole may be considered for development.

The beginning of these studies has embodied in a five-year public works program which I shall soon submit to Congress but the intensive and extensive studies have to be continued in order to come up with complete and intelligent plans, based on full facts and expert analysis.

The drawing up of these studies and these plans and their actual implementation demand a high quality of leadership from you, the leaders of our biggest political subdivisions, as well as from community leaders outside the government. Leadership from you is required in the marshaling of organizational and technical talent, in inspiring your people to think creatively and to work with all their strength and energy, in the formation of capital, in providing your people with the vision and an example in unselfishness and sacrifice.

This is the challenge with which I confront you today. Accept the challenge; show us what your communities and regions, under your leadership, can do. I pledge to provide you with all the available resources of the national government and to help in securing aid from foreign sources. But the intellectual and physical energy has to be supplied by the people in the barrios and the towns, and the vision and the leadership and the inspiration by you, their leaders.

Again, you may ask; but what in concrete terms does the New Leadership, what does the new Liberal Party administration intend to do about decentralization of government?

I will tell you what I will do. I intend to support measures that will place in the hands of local officials the responsibility for and the authority over governmental services that are purely local in nature. This means turning over to local officials the right to direct and supervise these services, the power to appoint the personnel for them and the funds to finance them. Some of the services I have in mind are health services, agricultural extension, and even education.

But with authority must come responsibility, and part of this burden is the responsibility to finance these services. To enable local governments to discharge these new obligations, their financial position has to be strengthened, and for this the resources of their funds have to be expanded.

To do this I am proposing that the power of collecting certain national taxes and of appropriating the proceeds therefrom be transferred to local governments. Whether these should be provincial, municipal or other local governments has to be closely studied.

I am sure you agree with me that these measures would be great steps toward that glorious goal of returning the power of government where it belongs—to the people.

These steps would impose much graver responsibilities on governors and mayors than you now bear. But I am sure that all of you will only welcome them, for with them you can be of even greater service to our beloved people.

The challenge of economic and political autonomy is great. It will require all the initiative and spirit of cooperation which I know you possess. But the stakes are just as great. For the decentralization of political power and the development of the various regions of our country, presently so burdened with poverty and hardship, promise to bring forth a new Filipino; self-reliant, head erect, marching toward prosperity and genuine progress.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**NATIONAL GOVERNMENT PORTAL – EDITED AT THE OFFICE OF THE PRESIDENT OF THE
PHILIPPINES UNDER COMMONWEALTH ACT NO. 638**

Address of President Macapagal at the Anti-Communist Youth Rally

**Address
of
His Excellency Diosdado Macapagal
President of the Philippines
At the Anti-Communist Youth Rally**

[Delivered in Manila, March 10, 1962]

CHALLENGE TO YOUTH

IT IS INSPIRING to face the youth of the land gathered in this vast assembly which is dedicated to the crusade against communism and tyranny and to the preservation of freedom for all men of all nations throughout the face of the earth.

Your assembly brings back to memory the youth of 1896 like Rizal, Bonifacio and Aguinaldo who liberated our country from Spanish bondage; the youth of 1902, Osmeña, Quezon and Roxas who liberated our land from American tutelage; the youth of 1942 in Bataan and Corregidor who sowed the seeds of liberation from the Japanese occupation. I like to think and I so pray that now you shall be the youth of today who shall sow the seeds of safety and liberation from the menace of communism which is the worst tyranny that ever threatened the liberty and well-being of our Nation.

I know that the Filipino people share with me the feeling of gratitude for the help and support extended by the Philippine Anti-Communist Movement and the Filipino-Chinese Anti-Communist League to the Government in its difficult task of warding off the Red threat from and within our shores. With their continued support and cooperation, I am confident that we will succeed in the fight against Communism, thereby proving to the countries of Asia and to the rest of the world that a people, armed only with the spirit of patriotism and with faith in the democratic way of life, can conquer the forces of evil. It is imperative that we succeed, because the attainment of a better life for our people will depend on the elimination of obstacles placed along the path of progress.

To solve the problem of communism, we must go into the root of the problem. We must dissect it in such a way that every move, every idea, and every theory of the communists will come into focus. Furthermore, we must discover through a careful analysis, the reason for that move, that idea, and that theory. Then and only then can we have the best answer to the problem of communism.

Analysts abroad have come up with the fallacious theory that communism cannot triumph in a predominantly Catholic country. This argument is heard even in the Philippines; its exponents continue to expound on it even after the Huks came close to taking over the country. What is surprising is the fact that it continues to gain adherents despite the historical examples of Catholic Poland and, most recently and notably, Catholic Cuba. It is a fact that Poland and Cuba, before they were smothered by the Red Hand, were predominantly Catholic. Yet they succumbed to the communist onslaught. I believe that the Government and the people must work hand in hand with Catholicism and other defenders of freedom if the country expects to defeat the forces of communism.

Another fallacy abroad is that poverty and unemployment alone cause communism, and that when conditions of extreme poverty appear, particularly in farming areas, communism, by a process of spontaneous generation, will come into existence. This argument is not meritorious. An examination of historical examples will show that this is not the case. I admit that it is easier for communists to work in such a climate; but I deny that such a climate is the key to communist success.

What then is the key to communist success? I ask you to dig into the root of the problem, and you will come to the correct conclusion that the key to communist success is *leadership* and *organization*. The communist is trained and disciplined; he is a member of an international conspiracy aimed at complete world domination. The individual communist is simply an extension of the will of Moscow or Peking. He does not think; he does not reason. He simply believes, he takes orders. Wherever communism has been successful, it has been through the efforts of a small group of people who have worked their will, through leadership and organization, on the minds of the great mass of people.

This then is our problem: How shall we counteract the Red Threat, and how shall we unshackle the millions of minds from the bonds tied around them by a small force of disciplined and organized individuals? I invite all of you to join me in dissecting the problem.

It has been an established fact that every communist party, including the Communist Party of the Philippines (CPP), has a special interest in youth. Documents in the hands of our intelligence authorities reveal that the Communist Party of the Philippines hopes to recruit talented young men and women, train them, and thus maintain the continuity and expansion of communism. The next question that comes to our mind is: Why the youth? There are four factors why the communists are particularly interested in captivating the minds of our young citizens.

First, *idealism*. The communists know that the youth are usually emotional and impressionable. The Reds paint before the youth a glowing picture of prosperity in Russia and other communist states. In almost convincing tones, they tell of an earthly heaven behind the iron and bamboo curtains. When they speak of underdeveloped nations, they try to convince the youth that only communism has the answer to those nations' problems. A hurried peek through the cracks in the bamboo and iron curtains, however, will show the horrors being perpetrated by the Red regime and the miserable life being led by the people.

Second, *frustration*. The communists are aware of the fact that youth are more readily frustrated by a nation's failures. Frustration is a feeling to which a young man or a young woman is easily susceptible. I believe that most of you have many times been frustrated by many things. It is this natural tendency in youth that communists make use of. To the frustrated, the communists say, "Only we can solve your problems."

Third, *extreme solutions*. Youth's idealism and frustration make their minds more attracted to extreme solutions. Frustrated by their nation's failures and eager to correct such failures, the youth are willing to go to the extreme without carefully weighing the consequences of their acts. They are not to be censured for acting rashly; this is understandable since they are easily carried away by their emotions. I must warn you of the danger that such rash actions create, especially since the communists are extra-active in pouncing upon youth's weaknesses. In their frustration, the young are willing to adopt extreme solutions. This is where the communists come in. They advance the communist ideology as the only solution which can be adopted, hiding the fact that communism is the extremity of remedial measures.

Fourth, *naïvete*. Youth are often naïve, and thus, not having experienced the harsh realities of life, more susceptible to communist arguments.

These are the main reasons why the communists are interested in ensnaring the minds of the youth. The Reds think that they can easily deceive the young into believing what is not true. I challenge you to disprove them. I challenge you to prove that the much-vaunted courage of the Filipino youth is not yet gone.

Following the almost total defeat of the Huks, the Communist Party of the Philippines has shifted its methods of subversion from the military to the so-called legal and parliamentary struggle. The Communist Party has attempted to take over key positions through society, but particularly in national and local governments, labor, mass media and education. They have tried to infiltrate our schools and colleges, and communist educators have been attempting to destroy their students' beliefs in religion and democracy, fill them with hate against the established order, and support the communist line.

Just what is the communist line in the Philippines? At present, the communists are supporting an extreme brand of pseudo-nationalism. They feign to glorify this or that national hero and later use him as an instrument for advancing their evil ends. They try to engender, and sometimes succeed in engendering, such a frenzied approval of the activities of a hero, which were peculiarly applicable to his own times, that hate for other peoples results. They hope to arouse an extreme revolution which would expel all foreigners from the Philippines, adopt a policy of neutralism, and destroy the Philippines' alliance with the free world. They hope that, after this pseudo-nationalistic revolution is accomplished, they will be able to bind the Philippines closely to the communist bloc by economic and military alliances. When this is accomplished, the Philippines would become another satellite of Moscow or Peking.

This, in brief, is the problem. We must now present a solution. It is my Administration's belief that two things can be done in this fight against communism: Knowledge of the communist threat and the strengthening of our free, democratic society. To fight the enemy, we must know the enemy. We must know how it deploys its forces, where it intends to attack, and other matters relative to our defense. Likewise, we must take steps to solidify the foundations of our democratic society and to strengthen the moral fiber of our people.

However, the most pressing problem of our democratic government is an economic one, and my Administration has already moved to take the first step in solving the problem. Twenty days after I stepped into the Presidency, I launched the decontrol program by giving up the executive power over foreign exchange and by instituting safeguards such as revising the tariff duties on imported goods. I took this bold step, knowing that decontrols were a hindrance to the growth of our economy and were a source of graft.

I submitted an integrated five-year socio-economic development program to Congress which is designed to bring prosperity to all and a better life for the common man.

I also prepared for congressional approval a five-year public works development program which includes specific plans on irrigation, feeder roads, river control, schoolhouse construction, and other public works projects, eliminating the pork barrel which, in the past, was often used for political purposes.

I formulated and I have started the implementation of a rice and corn program which will solve the perennial crisis in these two essential cereals.

I proposed to the Congress a P30-million employment program based on simultaneously job-creating and production-boosting projects in order to provide employment to our unemployed youth and manpower.

I have sought from the law-making body a P10-million housing program, which includes the construction of multi-storey apartment houses for the poor and homeless.

I formulated a program to assist our people stricken by calamities through a P20-million calamity fund for first aid and relief and a P30-million fund for public works rehabilitation from ravage of disasters.

I have proposed to Congress other measures which together form an integrated solution to our varied and complex economic problems which have long been neglected.

All these measures are intended to bring about a better life for our people, which will strengthen our country and insure its safety against communism.

My hope is that the youth of the country will work with the Government to help establish a new spirit of public service, that it will work constructively for the fulfillment of the objectives of the National Youth Corps, and, in so doing, help build the country and, at the same time, defeat the forces of communism.

The National Youth Corps will be the first vehicle for youth of an increased participation in the growth and strengthening of our society. The second element is knowledge. I hope to establish a Freedom House which will be the center for the study of communist techniques and the means of combating communism.

My dear countrymen, here are means with which we can overthrow the forces of evil. Here are weapons with which we can break the Hammer and Sickle. Come and take your place among our forces and, shoulder to shoulder, we shall march onward to victory for freedom and democracy.

Let it not be said that we were afraid to accept the challenge. Let not the coming generations say the patriotism, courage and perseverance of the Filipino youth died with our soldiers in Bataan and Corregidor.

Will you accept the challenge? This, you must answer. For the destiny of our Nation and the survival of our people are at stake.

I shall watch for your response.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**Address of President Macapagal before the Ramon Magsaysay Memorial Society Address
of**

**His Excellency Diosdado Macapagal
President of the Philippines
Before the Ramon Magsaysay Memorial Society**

[Delivered on March 16, 1962]

THE MAGSAYSAY REVOLUTION

IT IS WITH A SENSE of special gratification that I have come to join you today on this memorable occasion. For I realize that nothing could be more fitting than that an organization should be launched to perpetuate and give life to the ideals of a great man on the anniversary of his death.

The entire Nation and the whole world are wont to talk, even now, five years after his death, of the Magsaysay Revolution. What precisely is this revolution? Let us examine its nature. Let us look into it so that we may further advance its revolutionary cause and give the assurance, for our children and their children, that its fruits shall forever be enjoyed.

What indeed is the Magsaysay revolution?

Ramon Magsaysay burst into the glare of public view at a time when the world immediately around us was in a state of unrest, of ferment, of upheaval, if not of actual revolt.

Prostrate after a long and sapping war, and further debilitated by a continuing struggle against Western colonialism, our part of the world was being threatened by a new colonialism, by the menace of communism, which had overrun China and was then bent, as it is still bent, on extending its deadly tentacles as far west as Pakistan and as far south as the Indonesian archipelago.

The aggressive designs of communism had split Korea, had torn into pieces the land of that Nation and the bodies of its people, spilling the blood of men from many lands.

In Indo-China, the hills of Dien Bien Phu and the jungles of San Neua were being reddened by the mingled blood of communists, nationalists and colonialists, and of the millions to whom politics meant nothing, as that peninsula of four states and many tribes was being torn by fierce and blood strife.

In Indonesia the communists, stepping into the confusion sown by the violence and hatred between the Indonesians and the Dutch, attempted to seize the government at least once, and went on a continuing campaign to seduce the people in the widely scattered islands with the honeyed words "peace" and "nationalism" to which they attached a deceptive and false meaning.

In Burma the newly established independent government was shaken to its foundations by a civil war that had been stirred by two communist factions. In Malaya and Singapore the years immediately following World War II were plagued by communist-led strikes, riots, assassinations, kidnappings and terrorism. In Thailand the pro-Western government of Phibun Songgram had to resort to repressive measures to head off communist agitators.

Here in the Philippines, drained of hope by poverty, misery and injustice, led by intellectuals from the universities, the peasantry was up in arms, looking up to Mount Arayat as a symbol of deliverance, of elusive justice, of a better life. They proceeded to spread fire, terror and death in the barrios, so that the very highways were unsafe. Finally, the Huks had become so bold as to be active within Manila and plan to seize the national Government itself.

Such was the Philippine and Southeast Asian scene upon which the imposing figure of Ramon Magsaysay emerged. Into this scene of violence and upheaval, of ferment and revolt, he brought his own revolution.

But unlike the bloody revolutions which carried many another leader into power, the revolution that swept Ramon Magsaysay to the leadership of his country was a revolution of peace, of hope and of love.

He restored discipline into the Armed Forces and the people's faith in them. In an atmosphere heavy with corruption, he breathed forth a fresh clean air of uprightness and justice. To the landless he proceeded to give land. To a people in despair he gave hope. And with their new-found strength the people raised Magsaysay to the Presidency of his country. Magsaysay had turned the people's eyes away from Arayat, turned them back to Malacañang.

He turned the people's eyes not only to Malacañang, not only to the President, but even more to Magsaysay the man. Magsaysay embodied the people's hopes in a time of despair, the people's soul in a time of disintegration, the people's desire for constructive change in a time of revolution.

The people looked to him for leadership, for direction, for support. He had taken on the image of a savior. He had become another of a long line of strong men, of forceful rulers, of heroic leaders—Sukarno of Indonesia, U Nu and now Ne Win of Burma, Abdul Rahman of Malaya, Ngo Dinh Diem of Vietnam, Sihanouk of Cambodia, Sarit Thanarat of Thailand, Chiang Kai-shek of Formosa, and in Korea from Syngman Rhee to Park Chung Hee.

The question may be asked: is not such dependence by a people on the personality of one man corrosive of the principles of democracy? Did the forceful and extremely personal leadership of Magsaysay amount to a virtual dictatorship?

Which leads to a further and crucial question, one posed by the French philosopher Jacques Maritain in one of his many books: "Are the people to be *awakened* or to be *used*?" The answer to this question would mean the difference between a dictator using the people for his own glorification and a strong leader upholding and strengthening democracy with an awakened people.

Magsaysay knew that the people had to be awakened if they were to be permanently saved, if the fruits of his initial revolution would not be lost with his own passing.

The Magsaysay revolution, therefore, did not stop at turning the people's eyes from Arayat to Malacañang. Magsaysay extended it by proceeding to turn the people's eyes from Malacañang to the people themselves—to their own talents, to their own hearts, to their own strength.

This is the essence of the Magsaysay revolution.

Having held in his hands the tremendous powers of the Presidency of the Philippines, he began to restore a significant measure of this power to the people themselves.

He gave the common people, the people in the farms, in the factories and in the piers, a sense of their own importance, going directly to them, to their own homes and barrios, eating with them and listening to their sorrows and their troubles.

Magsaysay set a pattern for political campaigns, in which he shook the hands of the common people and put his arm around them, and in which the solutions to the problems of the barrio and its people occupied the foremost place in his political platform. So that from then on, politicians could not deviate from this pattern, could not omit the problems of the common people from their platform and programs, without courting defeat at the polls.

Magsaysay gave the people a feeling of their own power. But he knew that that feeling, if allowed to remain a mere sentiment, would only be as an opiate, a drugged dream from which the people could very well eventually awake with violence.

So he proceeded to give substance to this feeling, by beginning to transform this sense of power into a political reality. The only way to do this was to shed off some of the powers of the central government and transfer them to the lower levels of government to which the people felt closer and through which they could more effectively govern themselves.

The main question of democracy is a question of power, and Magsaysay sought to answer it by beginning to restore power where it properly belongs in a democracy—to the people. He certified to Congress legislative measures which would grant greater autonomy to the lower levels of government, down to the barrios, and stir up the dormant initiative and self-reliance and unexercised strength of the smaller communities which had been left out of the stream of government activity.

But Magsaysay met his death, five years ago, on the lonely slope of Manungal, and he was not to see the maturing of his revolution. For after all, what real revolution can find final fulfillment within the lifetime of man? But Magsaysay did start a revolution, which was all the more glorious for its being peaceful, and demonstrated once and for all that strong and forceful leadership is not necessarily hostile to democracy.

The American historian Arthur Schlesinger, Jr., laid down the following criteria for determining whether “heroic leadership” leads towards democracy or away from it. He wrote:

“A regime genuinely desirous of moving in a democratic direction will concentrate on developing appropriate institutions. It will increase both the quantity and the quality of education. It will work for an equitable distribution of income and rising mass living standards. It will demand the emancipation of women and children. It will encourage a free and honest press. It will train public administrators. It will eliminate graft and corruption. It will pull men of talent and vigor from every class of the population into the governing process.”

I believe that there is no doubt that the Magsaysay regime met these very valid and excellent criteria. For my part, I say now that the present Administration is categorically committed to the fulfillment of these criteria.

As one who occupies the position in which Magsaysay labored for the Nation, we not only uphold the ideal of arousing the strength of the people as the decisive implement for their welfare but belonging as we do to the common people whom Magsaysay aroused to an awareness of their potentiality and proper destiny, the ideal of the Magsaysay revolution is a flame in our being.

We are committed to the spread of education and the raising of its quality, to the more equitable distribution of income and the raising of the living standards of the masses, to freedom of the press, to the preservation of the sanctity of the civil service. For the achievement of moral regeneration, we shall be inflexible that no man shall be spared or held above the law. We have begun and intensified the work of eliminating graft and corruption. We have been harnessing talents from all walks of life into the government service.

Above all, we are committed to the advancement of the Magsaysay revolution—the noble revolution of gradually surrendering as much governmental power as possible to the people for the attainment of a life of abundance in freedom for the masses of the people.

We have already begun to do this. We are pledged to do much more during the four years of our stewardship.

Thus are we pledged to match a strong and vigorous leadership with the true liberal spirit. This means nothing less than the maturing of the revolution begun by Magsaysay, a revolution which would assume leadership and power—but power not for one man, not for one party, not for any interested group, but to be exercised by the people for the Nation as a whole.

For the attainment of its substantive reality, the Magsaysay upheaval consists of two processes: first, liberate the people to enable them to assert their sovereign will in determining the leadership of their political society so that they shall have a government truly by the people; and second, liberate the political society from the shackles of the privilege so that the people shall have a government truly for the people.

In ascending to the Presidency, Magsaysay began the first process; in our own ascendancy against odds more appalling perhaps than those which blocked his path, we completed the reality of the initial process.

It has now fallen upon our shoulders to bear the weight of starting the second process. We shall not shirk the task.

Magsaysay sparked a revolution which would in essence and in fact make of our democracy a government truly by the people and for the people. In this Administration, it is our sworn task to carry on the Magsaysay revolution towards its final triumph. With God's grace and the faith of the people who alone are our master, we are resolved not to fail for we cannot fail the people who, as was true of Magsaysay, are our very soul.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Extemporaneous Speech of President Macapagal before the Business Writers Association of the Philippines

**Extemporaneous Speech
of
His Excellency Diosdado Macapagal
President of the Philippines
Before the Business Writers Association of the Philippines**

[Delivered at the Manila Hotel, March 22, 1962]

THE NEW ECONOMIC FLAVOR

UPON OUR ARRIVAL this evening, President Castañeda of the business writers remarked to me that we arrived at exactly 8 o'clock. We were not late, he said. I told him that my not being late is an indication that in the unfolding New Era we shall not also be late in helping to the best of our ability the businessmen in their problems in our country today.

Indeed, Mrs. Macapagal and I are profoundly honored to be with you on this occasion which I hope is reflective of and guided by a new spirit, that is, the concentration of the national attention on the problems of economic program or the problems of the business community.

I heard President Castañeda speak of the situation where it requires nine lives to survive in business. I hope it is realized that he is not speaking of present conditions but of past conditions. As a matter of fact even our top awardee, Don Carlos Fernandez, stated that 1961 was the worst year in business. So, as the head of the new Administration, I should like to say that it is our supreme ambition that before our task is over it shall not take nine lives, it shall take one life of businessmen to survive; and 1965, our last year, will be the best year in business in our country.

It is perhaps because of the dismay expressed both by the president of the business writers and the top awardee that I noticed that the business writers, in choosing the top business stories in 1961, selected as among the top best stories the following: "Clamor for a Change in Economic Policies as Manifested in the Results of the Last Elections." And so it is with a sense of gratification that in response to this clamor recognized by the writers as one of the most important events of the past year, that within the first 21 days of our Administration, I launched the system of decontrol in order that businessmen will succeed, not on the basis of whom they know but on the basis of their talents, know-how, industry and integrity.

That is what I would like to point out. This feature of concentrating on the sound and speedy growth of our economy is what makes this New Era acquire a new flavor in our country, in our national effort. Our top awardee spoke of nine economic programs in the past but which were futile. Why? Because not a single one of those nine economic programs was adopted by the authorities in the government, namely, the President and Congress.

I noticed, for instance, that the last program formulated by the National Economic Council, very well formulated to my mind, under the leadership of Dr. Jose Locsin, is a three-year program but was not even acted upon by the highest executive official of the country, not to say Congress itself. And so, realizing this unsatisfactory condition in our national effort to promote economic growth, one of the first things I did was to formulate with the best economic advisers then available, a five-year integrated socio-economic program which I not only approved as the program of the Administration but which I submitted to Congress in order to emphasize to our law-making body and to our Nation at large, the necessity of veering the attention of this Nation towards a clear program upon which we will concentrate our efforts.

So, I say that the distinctive feature of the New Era of which our friend spoke of is this concentration on economic effort as distinguished from concentration on political efforts in the past. There has been too much politics in our country. In the past, the politician was the dominant figure in the national scene. Under the New Era which we hope shall be truly ushered in effectively, we intend to change this; we intend to concentrate not on political effort but on

economic effort, on building this Nation upon the full utilization of our economic resources in the speediest time humanly possible.

If in the past the politician was the dominant figure in our national effort, today it is going to be the businessman who shall be the dominant figure and the true builder of this country.

And so, it is not only a routinary participation that I have this evening on this memorable occasion. It is a participation which is not only a big honor to me but one which I would like to be cherished as a profound symbolism of our efforts in this Administration. It is with this sense of honor that I congratulate our awardees led by Don Carlos Fernandez. I congratulate him as well as the other awardees of the BWAP in the past. I should like to say in congratulating all the business leaders who have received awards from the business writers that I salute them; I salute you, Don Carlos Fernandez, and your fellow business leaders in the community. I do this not only on my behalf but on behalf of the people because under the new dispensation you, the business leaders, are the heroes of the country; you—I repeat—are the true builders of our Nation.

In order to be sure that the significance of this occasion is not lost as is normally the case in many gatherings, and to perpetuate the symbolism of this memorable, and to me, historic occasion, I have asked Don Carlos Fernandez to represent all awardees here by being one of my steady economic advisers in order to help me.

Of course, with affection, I congratulate the business writers not only for this memorable occasion but for their insight and foresight in launching a movement towards recognition of our business leaders. I would like to add in congratulating our business writers that the spirit of the New Era has affected the journalistic standing of the writers or reporters or newspapermen. In the past, the political writers were the dominant figures in the journalistic field in this country, but as far as the present Administration is concerned, it is the business writers who shall be the dominant figures upon whom we shall draw attention and guidance in our Administration.

May I, before I say anything further, avail of this class of thought to make reference here to my Press Secretary who is here because we speak of journalism and writers and reporters. I was even criticized by reporters and newspapermen for selecting as my Press Secretary one who was not a professional newspaperman, although he was an editor of the *Philippine Collegian* and has been writing not in a professional but in a sporadic way.

This is the first opportunity for me to inform my friends in the newspaper field why I chose as my Press Secretary to project to the Nation the efforts of this Administration, a man who although not a professional newspaperman, is one who has a fair knowledge and grasp of business and economic matters. It is a choice integrated into the pattern of concentrating on economic development. I felt that in pursuance of the thinking of our Administration, even our spokesman must be one who is not only a good reporter or newspaperman professionally but one who understands business.

That is the reason why, in spite of criticisms, and I hope the newspapermen will excuse me for seeming to disregard attacks and criticisms against Secretary Hechanova, I have stood by Secretary Hechanova because he is a Press Secretary who understands business, who knows economic matters.

As a matter of fact, I am happy to state before you that, again, in pursuance of the thought and orientation of the new Administration to emphasize on business and economic matters, beginning Monday Press Secretary Hechanova will be acting Secretary of Commerce and Industry in the absence of Secretary Balmaceda, until Secretary Lim comes over.

In line with our preoccupation—almost obsession—in channeling the thoughts and efforts of this Nation towards economic pursuits, may I impose upon your patience to express to you tonight our plans and our thoughts that may perhaps be denominated as guidelines for businessmen.

The Administration has provided a framework for development in the Five-Year Integrated Program which was outlined in my State-of-the-Nation Message last January. However, the major share of the responsibility for translating goals into achievements lies not wholly with the Government, but primarily with the private sector.

Without your cooperation, without the response of businessmen and industrialists to the stimuli which the Government shall provide, the New Era, the better life which we all desire, cannot materialize.

In the broad directions indicated in the Administration program lies the orientation of the activities of private enterprise. I shall not presume to suggest how your job should be done. You are the best judges of that. So, tonight I shall endeavor briefly to review this economic situation, the prospects, and the probable policy directions of the Government which may serve as guidelines to businessmen.

It has been barely three months since we adopted real decontrol last January and I am highly gratified to note here that there is sufficient degree of satisfaction at the progress of our decontrol program. As a matter of fact, from the standpoint of the Administration, we feel that it has been more satisfactory than our highest expectations.

The rate of our peso vis-a-vis foreign currencies has not fluctuated beyond P4 to \$1 nor have prices of prime commodities soared, nor has there been undue speculation. We have exercised restraints on private as well as public spending, which move constitutes one of the prime factors in the effective functioning of this delicate program. On the other hand, production efforts have continued to receive the support of the financial institutions. Only recently, the Central Bank eliminated the special time deposits on about 76 per cent of imports to facilitate replenishments of the domestic supply of raw material and essential goods.

The continuous visits and inquiries by foreign bankers and prospective investors from abroad attest to a growing recognition of the attractive investment prospects here and confidence in the basic strengthening of the Philippine economy. More than the tangible effects which cannot be immediately reflected in quantitative statistics, is the wholesome change in moral attitudes and the refreshing breeze of freedom. While it is still premature to crow about recent developments, our Administration has been encouraged to push its plans and work more fervently for a prosperous Philippines.

It is not enough that there is freedom of economic activity or that the exchange rates are stabilized. It is more important that the economy be developed to provide conditions for prosperity for the greatest number of our people and a better life to the common man, or in the words of our chief awardee, to attack the problem of poverty. My Administration is pledged towards the achievement of this objective. Towards the attainment of this end, we are alert in watching the attendant problems and to meet them promptly and, we trust, effectively.

An instance of these attendant problems is one which affects the manufacturing sector, the continued growth of which is one of the mainstay of our development program. I refer to the fact that while practically everyone welcomed the lifting of controls last January twenty-first, now certain sectors, particularly the manufacturers, point to its probable impact on profits and production costs.

The Administration realizes this problem which, in fact, was anticipated. Decontrol necessarily foisted upon domestic industries a readjustment in business operations to a higher exchange cost. In the long-run, such a readjustment will be for the economy's own good since it will conduce to the development of a healthier and more competitive breed of enterprise. However, there is of course an inherent danger in the problem: that this process of readjustment will not only be an extremely difficult one for small businessmen but may drag out and lead to a slow-down in our rate of economic growth. It is clear that in view of our rapidly growing population and the high incidence of unemployment, this slow-down cannot be allowed to occur. Should the economy be gripped with inertia, superhuman efforts might be required to extricate it and get it moving once again.

Foreseeing the possible emergence of such an undesirable situation, the Administration has worked out a series of measures and dovetailed them into the integrated socio-economic program. Some of these measures have already been implemented, while others are in the process of promulgation and implementation. Congressional action will be called for in some instances, but should such action not be forthcoming, substitutes have been planned so that the most necessary objectives of the economy may be achieved.

In this connection, I cannot but express regret at the stalemate and stagnation that has developed between the Administration which has, with all its soul, so to speak, concentrated its efforts towards the growth and development

of our economy, and Congress. As the head of the Administration I have anxiously desired, and will always desire cooperation between the Administration and other sectors of leadership in this country because that is essential in order that we may succeed in this difficult effort.

I plead again for cooperation because we are for preserving the prerogative of this Administration in the responsibility of guiding the economic development of this country. We are fighting to let us enjoy the prerogative and responsibility of guiding the economic destiny of this country and we plead for cooperation from the other sectors of national leadership. But if that cooperation is denied and there is an impasse in those prerogatives and responsibility of promoting the economic development of this country we are ready to fight in order to serve the development of our economy and the best interest of our country.

First, let us consider the problems of adjustment faced by the producers. Manufacturers whose material requirements have a high import content are faced with higher production cost. In the short-run, they may react in two possible ways: either to absorb the incremental costs themselves, or pass these costs on to consumers who buy their products by raising their prices which, if other alternatives are feasible, ought to be avoided in the general interest. In either case, their profits will tend to contract, due to the higher costs, or to lower sales volume in the face of consumer resistance. For those engaged in the purely importing business, the impact will be hardest, because of the higher exchange rate and the cash deposit requirements against some imports. For them, it would be logical to expect difficulties in transferring the higher import costs to the consumers and to anticipate a tight financial situation.

The period of adjustment for manufacturers will entail economizing on processing costs and utilizing local raw materials to the maximum. In this regard, there is an imperative need for exploring the possibilities for processing intermediate raw materials for industry from purely domestic sources. Industrial integration must be exploited wherever possible, boosted by the significant gains accumulated during the last decade in the ways of management and financial experience, technological skills, and physical plant facilities. Integration could lead to the release of the economic wealth locked up in our natural resources, through their actual exploitation and use. In the process of integration, movement both ways is possible, downwards from the most refined finishing stages of production down through intermediate stages to the raw material sources, or upwards from the basic raw material to the marketable end-product.

It is assuring to realize that we have reached a stage where it is not only possible but feasible for us to commence developing our basic industries such as iron and steel smelting, which demand massive capital outlays as well as specialized skills.

The development of our industries has, as it were, spilled over from the industrial sector, and this is a good thing. They have created an impulse towards the generation of new lines in the agricultural sector, which has long been steeped in traditional pursuits. This trend must be encouraged and intensified inasmuch as it would not only insure greater sufficiency in industrial raw materials, but very possibly also in food.

The examples are many and varied. The textile industry has boosted the growing of cotton. The tire manufacturers have introduced the raising of rubber. The canning and food processing firms have triggered the planting of coffee, citrus, cacao, as well as the establishment of budding livestock and dairy industries. Promising prospects lie ahead. Pharmaceutical manufacturing, which we now possess, should be a natural market for basic chemicals and medicinal herbs suitable for local cultivation. To some extent, the truck and car assembly plants are leading to the manufacture of vehicle parts and other accessories by domestic metal-working plants, which in their turn would be a market for basic smelting industries.

Since decontrol has favored exports with a better exchange rate, we may expect an accelerated effort to boost export production. Decontrol not only provides a basic incentive towards export expansion, but highlights a new significance for agriculture, which in our rush to industrialize was pushed into the background for many years. Opportunities are delineated not only in the traditional lines, but in the fields of new export crops and in the fields of raw and intermediate materials for industry.

In addition to the traditional crops, the possibilities of exporting manufactured commodities to our Asian neighbors offers a promising future. Many of our neighbors have not yet reached the stage of development we have achieved. At present, while our industries operate primarily for the home market, it is reasonably certain that our products would be salable abroad if proper contacts were made and cultivated. The different trade missions which have returned from those areas have invariably reported substantial demand for commodities such as toiletries, processed foods and beverages, and other consumer products which we produce in our country. At the new exchange rates we are now able to price our products at levels competitive with the rest of the world. In this field, the Administration has launched and will follow through a more vigorous foreign economic policy than in the past.

The Government has prepared a coordinated socio-economic program to steer the economy's readjustment efforts along sound lines, this time not through controls but through the more positive methods of incentive and assistance. The program has been geared to strengthen the economy at its base, for a fresh leap towards development. It clearly spells the directions of overall economic, monetary, fiscal and commercial policies, as well as projects along lines most conducive to dynamic growth.

The program seeks to establish a consistency of policies which would make unnecessary the time-consuming efforts which businessmen have had to pursue in the past for the clarification or amendment of conflicting policies and rulings. It recognizes the equity of turning over public corporations to qualified private enterprisers, and thus abolishing the anomaly of a government openly competing with its constituents in a purely business venture.

In this connection, I would like to emphasize this phase of the Administration program where, in order to make a shift from a system of government control to private enterprise, we not only have taken positive steps to transfer existing business corporations of the government to private hands but have even explored the possibilities of transferring to private hands such ventures as the Manila Port Service and the telephone business of the Bureau of Telecommunications. I have directed the administrator of the Office of Economic Coordination to proceed with the restoration to private enterprise of the Manila Port Service which was already in the hands of private business before but which the previous Administration returned to the government enterprise.

All these will indicate to you that we are determined in our Administration not only to redeem the development of the economy from controls but to transfer the burden of economic growth from the government to you, the businessmen, so that it is up to you to develop this country and we shall be ready to help you in that enterprise.

Within the framework of the program, the Government also plans to intensify its social overhead projects to make available cheaper transportation facilities, communications, power and water. With lower rates for the use of such essential facilities, manufacturers would be able to offset part of the higher exchange costs brought on by decontrol.

The industrial and agricultural sector can expect an extra boost through the stepping up of the road-building program, essential social and extension services, and rural credit facilities by the Government. Government sponsorship shall also insure increased exposure of farmers to scientific agricultural methods, greater use of irrigation and fertilizers, and the benefits of crop diversification.

Aside from the official program which could guide the manufacturers in their readjustment program, there will be established in the very near future an Institute for Industrial Research. It will be the function of this institute to open up horizons for new private investments by researching into ventures that would develop and exploit indigenous resources of the country.

Together with this institute, our Administration also plans to establish an industrial promotions agency which shall assist promoters of industrial ventures to prepare the project studies and proposals that need to be presented to local investors, local banks and financing companies as well as to prospective foreign investors and creditors for the purpose of raising the necessary capital.

In the past, most of the long-term financial needs of our manufacturing and industrial firms were supplied by commercial banks. We do not believe this support could be relied upon in the future as commercial banks will find it

more advantageous to concentrate on short-term credits. So, we are prepared to fill the gap for long-term capital funds.

Ways and means are now being explored to channel more of the investible funds of the GSIS and the SSS to the DBP for industrial finance to projects that are of high priority in the development scheme of the country. I am aware of some objections to this course, but the matter has not yet been finalized.

In any event, I would like to inform you that I have directed the chairman of the Development Bank of the Philippines as well as the heads of the GSIS and the SSS that the granting of credit preference should be given to Filipino businessmen in order to help them assume their proper role in the national economy.

More important in the near future will be the setting up of a private investment institution, along the line of operations of the DBP, but in the hand of private management and drawing larger resources from abroad to service the import requirements of industries. In this connection, I would like to say that the role the Government will play in this institution would be merely that of assisting in its establishment through a low-cost loan which will not form part of its equity. The World Bank and other foreign financial institutions have expressed willingness to support such an institution in the form of an equity holding. The commercial banks could then transfer their long-term loans to such an institution, thereby making available to the manufacturers more capital funds for operations. Furthermore, studies are now being conducted to widen the capital markets of the country by adopting measures designed to divert some sources from luxury real estate to industrial investment.

Aside from this direct transfer of capital in the form of available loans, the Administration is making an extensive study of incentive taxes either in the form of subsidies, exemptions or direct taxes so as to make these readjustments faster and of greater value to economic growth.

My friends, these are but some of the salient measures the executive branch of the Government is planning to adopt to smoothen out the readjustments on the part of the local industries.

Monetary and credit policies are also designed to ease these adjustments by reducing inflation to a minimum. Inflationary pressures may set off, as you know, fluctuations in the exchange rates, thus making it difficult for producers to program. This is the reason why credit measures have to be tightened during the early days of the program. However, to the degree that people adjusted themselves to the new rates, we have relaxed credit. Special time deposits for essential items for instance have been removed and government securities were made eligible for reserve requirements.

In my State-of-the-Nation and Budget Message to Congress, I recommend complementary safeguard measures to our decontrol program, calling for legislative action. Among these are 1) Revision of the Tariff and Customs Code, and 2) Passage of an Investment Law.

The revision of the tariff must be carried out to transform tariff rates into more effective instruments of economic policy. While the Administration has implemented some tariff revisions under the authority vested by the "Flexible Tariff Clause", it is up to Congress when it can work, to expand and improve upon the executive action. This is particularly important since the selective restraints on imports which have been accomplished through controls will largely fall upon the tariff system under a free economy. In such revision, tariff rates on prime commodities and raw materials should be generally made lower than those on finished commodities in line with our desire to encourage domestic industries. Also, the imposition of prohibitively high tariff on luxury goods may be a strong deterrent to the conspicuous consumption which has been an economically wasteful and socially disturbing practice in the past. Last but not least, the tariff should be potent enough to protect domestic industries from such harmful competitive operations as dumping, through the provision of adequate countervailing duties.

Pending congressional action, the Administration has made use of the special time deposits. These are required on opening letters of credit in percentages that vary with the essentiality and category of imports. Primarily intended as a protection measure, these special time deposits are intended to restrict non-essential imports.

The value of foreign investments and technological skills in economic development has long been recognized in this country. However, we have not succeeded in attracting a substantial share of the new foreign capital flowing into Asia, which would provide us with additional foreign exchange income and boost domestic capital formation. The creation of a proper climate for foreign investments, including the passage of a long-overdue Investment Law, is urgently called for.

It is apparent, as has been said by our friend tonight, that the country stands at the threshold of a challenging new era. Through the integrated socio-economic program, your Government seeks to develop an active partnership with the people in the conquest of the problems which beset us as a Nation. The Government stands ready to correct whatever deficiency should manifest itself in the actual performance of the program. May I make this appeal to you today, and through you to all the businessmen and industrialists of this country, for your valued understanding and cooperation, for your dynamic participation and support of the program which is designed to bring about a life of abundance in freedom for all our people.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal before the Division Superintendents of Schools

**Address
of
His Excellency Diosdado Macapagal
President of the Philippines
Before the Division Superintendents of Schools**

[Delivered in Baguio, April 5, 1962]

**EDUCATION GEARED TO SOCIO-ECONOMIC
DEVELOPMENT**

OUR COUNTRY has three fundamental problems today, namely, moral regeneration, poverty of the masses and communism. In the solution of these problems you and the schools are called upon to play an important role.

We are fortunate to have at the helm of the Department of Education an energetic and outreaching young man with remarkable dedication to the task of upgrading the quality of education. Even at this early stage, it appears that he has already set the tone for a realistic approach in the education of our people. My confidence in him is such that I can say that in the efforts of the department to give education in the Philippines maximum effectiveness, the Administration shall provide all the necessary encouragement and assistance.

To bring about the moral regeneration of our officials and people, our schools must emphasize to a greater degree than before the inculcation among our children and youth the virtues of integrity, honesty, simple living and love for honest labor to the end. If the leaders and elders of today remain unequal to the challenge of a higher morality, we can be sure that the leaders and citizens of tomorrow shall restore and invigorate the moral strength of our Nation.

Since communism usually chooses the schools as one of the main fields for its work of agitation and infiltrations because it seeks to win over the youth, you must ever be alert in keeping that godless ideology and its agitators from our schools which must be made an impregnable bastion against the enemies of freedom.

It is in the liquidation of the third problem of mass poverty that I call on you today to exert the utmost attention and effort. This problem can only be solved through the rapid and sound socio-economic development of the country. Poverty can only be reduced to the minimum possible in human society if the resources of the land are so utilized as to spread the blessings of a good life to the largest number of the people. It is for this reason that I have emphasized in my Administration the solution of our economic problems.

One of the objectives of my Administration's integrated five-year socio-economic development program is the alleviation of the plight of the common man who has for countless years been chained to a life of poverty and misery. Toward this end, the Administration is determined to solve, to the maximum possible extent, the plague of unemployment, one of the most serious chronic afflictions of our country which continue to defy solution. The urgency of meeting this problem cannot be overemphasized. For the unhappiness that it causes on thousands upon thousands of our hapless fellow countrymen is growing serious every day.

This convention of division superintendents is therefore most timely, for we are here afforded an opportunity to amplify on the vital role of education in our socio-economic development efforts.

I believe that our school system must be realistically geared to the economic development of the country. Because of my preoccupation with laying the foundations for the twin tasks of the Administration of moral regeneration and economic growth, I have been unable to turn in a concentrated manner to the problem of our schools and their proper operation and utilization. It shall not be long, however, when I shall sit down with Secretary Roces and other educational leaders of the country to formulate a program that will revise our school system to gear it to a vigorous socio-economic development and to solve the aggravating burden of financing our public schools.

Without prejudice to a fuller scrutiny of our school system to which I look forward doing soon, it is my impression that education should and can be geared to socio-economic development for the good of the country. This may involve changes in the curricula, a more vigorous encouragement of textbooks written by local writers, more systematic and effective emphasis on vocational, agricultural, and trade schools, more attention to science and research, revision in the training of teachers, and other changes in the formulation of which you and other educational leaders can contribute.

One problem alone, that of unemployment, underscores the need for educational reform. You must be familiar with the fact that the number of our unemployed countrymen, estimated at more than a million, rises sharply every year. It is generally considered that a large percentage of the unemployed is represented by young men and women who have just stepped out of high school and college. We must particularly attend to the problem of these intellectual unemployed for if they despair and become disillusioned about the purported goal of our democratic way of life that breeds this mass unemployment, these intellectual unemployed can become the effective leaders of communism who can seriously threaten our existing way of life.

Obviously, it is not only the insufficiency of job opportunities that causes the problem of unemployment but the inadequacy of the preparation and training of our youth. It will be ill-advised to make a sweeping conclusion and blame our schools for the existence of this problem. But certainly it is reasonable to state that our institutions of learning, more specially the public schools, are mere channels of our rigidly standardized educational system. Our schools merely adopt the methods of instruction, courses of study and rules and regulations embodied in our system of education which, however, is too outmoded and inflexible to be adaptable to changing conditions and the new and varied needs of our people.

The rigidity of our educational system should be relaxed to a certain degree if we are to produce students who can be useful citizens of this country. The defects of our educational system cannot be remedied in an office. It is heartening that Secretary Roces, instead of approaching the situation from a purely clinical and theoretical point of view, has initiated a move to go deeper into the system by personally visiting our schools and universities all over the country. This, to me, is the only valid and effective approach, for this will enable us to see the problem as they actually exist, instead of just hearing about them. With a first-hand knowledge of the root causes of the ailments, it will definitely be easier to apply the necessary remedies.

Like other educational systems in many young countries, the system of education in our country has many good points. But at the same time it also suffers from several weak ones.

A system to be effective must be dynamic and take into consideration the rapid changes going on in the life of the people. Unfortunately, this can hardly be said of our educational system, which is too standardized. Our courses of instruction, to cite an example, are uniform and stereotyped, whether the schools are in the urban areas or in the remotest rural communities. We give our students the same patterns of tests and examinations, and the methods of teaching seldom vary. In the primary grades, pupils in the northern regions are required to read and study the same textbooks used by students in the south when, it must be admitted, these students possess different sets of beliefs and standards.

I firmly believe that what our country needs urgently is an educational system geared toward our socio-economic needs. We need a school system that is fully adaptable to the social and economic conditions obtaining in the various regions of the archipelago. The desirable system is one that is flexible enough to fit the needs, problems and conditions peculiar to a certain area or region. But at the same time it must be dynamic enough to grow and adapt itself to the changing patterns of circumstances and the evolution of ideas. Besides giving the students a full grasp of the power, beauty and structure of ideas, it should give them a body of knowledge essential to their particular lives as individuals.

To be effective in our country, an educational system should thus be stripped of rigid standardization. It must be responsive. The social and geographical structure of the Philippines is so diversified that no single method of instruction, much less a course of study, could apply with equal force and effectiveness in all our regions. In an area where fishing is the major industry, the students should not be taught how to cultivate palay or weave baskets.

Rather, the concentration should be on the fishery industry itself. The students there should be taught the evils of dynamite fishing. They should be made to know the kinds of fish that abound in their region, and how to conserve them for the benefit of the community.

In areas where straws, fibers and other resources are plentiful and therefore conducive to weaving, students should be taught the value of developing that particular industry. They should know the immediate significance of its development—the multifarious benefits the community and the country as a whole would derive from it. This is a keystone to the students' development of the proper perspective.

One of the causes of unemployment is the fact that there is unusual concentration of manpower in the cities, particularly in Manila. Every year there is a mass exodus of the population from the barrios to the urban communities. The result is that the rural areas they leave behind become neglected—the barrios of their birth continue to be backward and retrogressive. The lure of the white-collar job, the desk job, seems too overpowering for them to reject.

A live and versatile system of education could help solve this problem. Under such system, students in the different regions should be taught more about their communities, made to know the history, the culture, the customs and traditions of their regions and to be aware of the local problems and needs that have to be resolved to stimulate progress in their communities. Above all, they should be made to realize the brilliant opportunities, the potentials for growth, existing for them in their regions.

Knowledge on the part of the students that in the future they could be hailed as leaders of their regions would encourage them to return to their community after completion of their courses of study. Besides encouraging them to render patriotic duty by utilizing their education and expert knowledge to help the people of their communities, they should be taught that it would be to their advantage to become leaders in their areas rather than stay in the crowded cities where, in general, they would be either underemployed or, worse, dependents for doles.

A system geared to this end will result in the dispersal of the manpower resources now concentrated in the urban communities; consequently, there would be sufficient manpower to explore our untapped natural wealth in the hinterlands.

At this stage of the development of society, the need for scientific and technological men should be recognized. For the truth is that in the implementation phase of the country's socio-economic development program, the demand for highly skilled manpower is as great and pressing as the fulfillment of the program's financial requirements. We need technological experts and scientists to explore the untouched mineral and power resources so abundant in the country.

At the same time, we need experts in the vocational trades. But these vocations, the skills to be developed, should be geared to the existing facilities and resources in an area or region. A vocational trade or course should be taught in a region where materials for that particular vocation are available. To do otherwise would be to return to the antiquated, inflexible system by which a set of methods or procedures, or a single formula, is expected to be a miraculous cure-all.

The eminent Spanish philosopher and educator, Don Salvador de Madarriaga, recently made a cogent observation that society cannot be "mineralized." For, indeed, people are not minerals, such as gold dusts or grains of sand, but human beings endowed with individual feelings, capabilities, attitudes. Consequently, no single set of patterns could govern all of them. Each must be given special treatment.

In the same light, education in the Philippines should be treated in a special fashion. For what is good for a region may not be good for the others. If we are to develop highly skilled, educated and useful Filipinos, our educational system should be adapted to the needs, conditions and peculiarities of every region. An educational system that does not possess this quality of resiliency is not ideal for the Philippines and the Filipinos.

You who are the educational leaders in your respective communities can do much in the task of evolving a system of education suited to the social and economic conditions of your localities. As you are conversant with the industrial and trade possibilities and the agricultural potentialities in your area, you can formulate a system of training in the schools under your jurisdiction that will frontally meet the socio-economic problems of your communities.

In this venture of seeking a practical approach to education that would develop such skills as are necessary in the socio-economic uplift of your regions, you will enjoy the full support of my Administration. The Administration will do everything in its power to make education a means for the achievement of a prosperous and economically stable country, and the elevation of the lot of the common man. But it is not enough that our youth, our millions of students, be given the necessary skills. Efforts should be exerted to encourage the students, after they have acquired their education and training in the cities, to return to their regions and there apply their knowledge in helping build their communities to the end that the full socio-economic development of the Philippines could be realized.

Our Nation faces grave problems that will affect many generations to come. The effort to meet these problems requires the support of all leaders and citizens of good will. You are among the most enlightened and eminent leaders of the country. We need your full support and counsel in our efforts. For my part, you can be sure that completely dedicating myself to the welfare of our people, I shall seek absolutely nothing for myself and my family but will consecrate all my energy, my lights, my all for nothing else but the well-being of our country and beloved people. But I cannot do the gruelling task alone. I need you, or better still, our people need you. As true as my faith in God, I have faith that you will not fail our people by discharging your own trust well, by playing your role with the magnificence of which you are fully capable, in this hour of trial and crisis that faces our Nation.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal at the Commencement Exercises of the Central Luzon Agricultural College
Address
of
His Excellency Diosdado Macapagal
President of the Philippines
At the Commencement Exercises of the Central Luzon Agricultural College

[Delivered in Muñoz, Nueva Ecija, April 9, 1962]

AGRICULTURAL DEVELOPMENT

TRAVELLING across the central plains of Luzon, such as I did at break of dawn today, never fails to bring back memories of my poverty-stricken childhood. Nipa huts and haystacks, farm boys tending their carabaos, and farmers on their way to or working in their fields, are a familiar and beloved sight. These are the same scenery, the same atmosphere of simple living and the same hard-working peasants amidst whom I spent a very pleasant portion of my life. Like many of you, I was poor, and still am, and I have never been ashamed of my humble hometown. In fact, the small rural community where I grew up, has always been a constant source of pride to me. I revel in its rustic charm and simplicity. I cherish its quiet contentment. I love its genial and friendly folks whose hearts are as wide as the fields that they till. Because I know how it is to be poor, it has now become my obsession to do something for the uplift of the poor and the more unfortunate segment of our society.

In this spirit, I congratulate you on your graduation from this agricultural school. There is dignity and beauty in your profession that associates you closely with God and nature. The farmer is the truest producer of wealth. He is God's partner in bringing forth from the bowels of the earth the food that we eat, the clothes that we wear, the houses that shelter us, and the other good things in life that we enjoy with God's blessings.

I congratulate you not only because you have successfully completed your studies but because by dedicating yourselves to the study of agriculture you are leading the youth of our country in the right direction.

For many years past the blight of Philippine education had been the tendency of the Filipino youth to prefer the academic courses that led to politics and the white-collar job. There was reason for this. Under the Jones Act of 1916, the Filipino people faced the challenge of demonstrating an aptitude to run a stable democratic government in order to merit political emancipation, a challenge which called for political leaders and bureaucrats. That task set the educational pattern in the country and shaped the propensity of the youth to take to courses that would make them outstanding politicians and office workers.

With the attainment of independence in 1946, the challenge to the Nation shifted from the political to the economic. Altho the necessary recasting of the educational system to gear it to the new challenge of economic growth remains to be undertaken, the instinct of a people born to greatness has created a realization, if vague and disorganized, of the need for a shift from white-collar courses to productive vocations like agriculture.

I have on purpose attended this graduation to give support to the new, growing and desirable orientation that the youth and the Nation must henceforth take to courses that can assist in the increase of production and the creation of wealth like agriculture. As I recognize this fact, you can therefore fully depend on my Administration to assist in strengthening our agricultural schools and in developing scientific agriculture in our country.

In the integrated five-year socio-economic development program which I have formulated as the guidepost of my Administration in the coming years, it may be said that greater attention shall be devoted to modern agriculture than to other phases of the economic effort. This is because altho ours is a rich agricultural country, agricultural development has lagged behind. For instance, in the production of rice, which is the staple food of our people, the average yield is as low as 27 cavanos per hectare, which is one of the lowest among the rice-growing countries in the world. In some provinces like Samar, the third largest island in the country, the preparation of the land for rice

planting is still done by the hoofs of carabaos stamping the field to and fro. As a result, the yield is as low as twenty cavanes per hectare.

Our socio-economic program, therefore, calls for development of scientific farming to increase agricultural production. Our goal is to increase rice production by an average of 5% annually, from an annual production of 3,740 thousand metric tons in 1960 to 4,840 thousand metric tons in 1967; corn production from 1,316 thousand metric tons to 1,595 thousand metric tons; fruits and nuts production from 1,046 thousand tons to 1,463 thousand tons; root crops from 1,590 thousand tons to 1,857 thousand tons; copra from 1,160 thousand tons to 1,380 thousand tons; sugarcane from 15,991 thousand tons to 16,675 thousand tons; abaca 110 thousand tons to 200 thousand tons; and tobacco from 73 thousand tons to 100 thousand tons.

Our agricultural goals likewise envision an annual increase of 10% in livestock, carabaos, cattle, swine and poultry; and fish production from 480.8 thousand metric tons to 585.1 thousand metric tons.

This agricultural program calls for new investments amounting to P985.1 million including dollar requirements in the amount of \$125,380 million for agricultural implement and machinery.

This agricultural program is an enormous task. Its attainment involves complex problems, among which may be mentioned the following:

- 1) Land tenure improvement. It is necessary that the government give assistance to tenants and small farmers in securing their hold on their family-owned lots through agricultural extension, adequate rural credits and efficient marketing systems.
- 2) Improvement of marketing and distribution of our principal agricultural commodities. Low and uncertain income among our farmers can be remedied only by minimizing the seasonal price fluctuations and easing up the problems of regional distribution of production, especially in rice, through the nationalization of rice and corn and the inducements to private marketing organizations. The government desires to encourage private individuals and organizations to gradually take over the functions of government marketing or trading in primary commodities.
- 3) Development of financial and credit institutions that will assist our farmers in improving their agricultural methods and help build healthy and prosperous rural communities. The development of rural banks and of voluntary credit societies has been encouraging. However, we need more rural banks and more cooperative and credit organizations.
- 4) Incentives and direct government assistance for the establishment and growth of manufacturing industries that will utilize agricultural raw materials. Agricultural surpluses, like pulp and paper production and the manufacture of yeast and other food products, would necessitate definite public policies for their proper utilization so as to increase or supplement the farmer's income.
- 5) Natural resources' conservation as an essential aspect of resource utilization. We need to strengthen our laws for the conservation of our forests, rivers, streams, soil and mineral resources, while utilizing them for the benefit of present users. It is our duty to preserve these resources for posterity.
- 6) Price support for rice and corn. The passage of the Administration bill that will set a floor price for rice and corn and help stabilize the price-supply conditions in this primary industry is compelling. We need a law that will set up a buffer stock and indicate the manner of buffer stock operations which will guarantee a floor price and work towards stabilized conditions in the rice and corn industry.
- 7) Development of private cooperative associations in commodity marketing. These associations will coordinate with the price-supply stabilization agency. The strengthening of the National Cooperative Bank and further incentives for private marketing systems will help in this direction. We must have a central cooperative training center dedicated to the promotion and training of all types of cooperatives.

8) Incentives for the growth and expansion of village or cottage industries. Our rural communities abound in local raw materials which can be harnessed to enrich the lives of our people in the small towns and barrios. We have asked the Congress to provide the means for tapping these resources—particularly the abundant human resources—and have directed the utilization of reparations for this purpose.

9) Harnessing and utilization of cheap electric power and water control in our rural communities. Light in every home and a full meal at every table can only be realized by extending our power lines to the barrios and by damming our rivers and streams for irrigation and other uses.

These are difficult tasks involved in our program of agricultural development. I shall exert my utmost to attain them. But I cannot do the task alone. I need your support and assistance. Being technically prepared after your graduation today, you can play an invaluable role towards the realization of our agricultural program.

In the past, only lip service was paid to the common man. He was taken for granted. Little regard was given him for whom our Constitution guarantees social justice. Now is your chance to bring the colleges and universities to the barrio. You should transform your academic resources and skills into practical services which they can understand and, therefore, be able to utilize. You should strive to link your technical knowhow to the life of our farmers that it might help them attain economic well-being, intellectual stimulation and spiritual enrichment.

It is my hope that you shall go forth today to provide the leadership which has been missing from our rural communities. Your training in scientific farming makes you ideal partners of the Administration in uplifting the living conditions of our barrio people. “Ite et docete,” go and teach, were the words of Christ in exhorting His disciples to sow the seeds of Christianity. Because our cause is noble, I invoke the word of God in exhorting you to sow the seeds of progress throughout our country.

Source: **Presidential Museum and Library**

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**Address of President Macapagal at the Commencement Exercises of the University of the Philippines Address
of**

**His Excellency Diosdado Macapagal
President of the Philippines**

At the Commencement Exercises of the University of the Philippines

[Delivered in Quezon City, April 15, 1962]

CALL TO NATIONAL DISCIPLINE

TOGETHER, at this moment, we find ourselves in this traditional ritual of commencement: you at the beginning of your individual lives of work and struggle, and I at the beginning of my term of service to the nation. I am privileged to share for a little while the spotlight that is rightly yours upon this stage. It is a moment that calls for words with which we shall try to give each other hope, as well as for mutual assurances with which we may sustain each other's faith.

As President of the Republic, I have set two major goals for my Administration. One is to push our country forward on the road towards accelerated economic and social progress, and the other, to help bring about the moral regeneration of our people. I would like to confine myself today to a discussion of the second objective, with particular emphasis on the importance of national order and discipline as a vital factor in its achievement.

The war and occupation, which inflicted such a grievous injury on the spirit and character of our people, has been over now for fifteen years. We must therefore stop blaming the war and occupation for the continuing moral sickness of our Nation. To continue to do so would be to indulge in shameless malingering. For many centuries our people have undergone repeated invasions and humiliations. Yet the strength and resiliency of the Nation's moral fiber has enabled us to rise triumphant each time from such shattering experiences

As President of the Republic and leader of this Nation, I consider it my duty to issue a clarion call to all elements of our population so that they may rise *de profundis* to new heights of moral sanity, integrity and power. I call upon them resolutely to turn their backs on this rotten heritage of shame. I call upon them to lay down, once and for all, this hardened indifference to moral values. I call upon them to foreswear the smug rationalizations and ingenious tricks of conscience that have enabled so many to close their eyes to the glaring evils of our public and private life.

I cannot accept as an explanation or justification for these evils the statement that they are the inevitable result of the sharpening struggle for existence in our society. No society anywhere, regardless of tradition or ideology, is exempt from such struggle in one form or another. Actually, the element of competitive struggle is inherent in life itself and brings out both the best and the worst in human beings—the best out of the strong ones and the worst out of the weak.

That evil exists is a fact of life. That there is evil in the heart of man we can deduce from the Ten Commandments. What we must regard as intolerable is the callous indifference to evil, nay, the cynical condoning of it, the extraordinary competition in malefaction which may be described as “keeping up with the Joneses” in the matter of wrongdoing.

From the cynical attitude proceeds the entire macabre parade of impropriety, indecency, vice, crime and immorality in our society—from the simple malice of the teen-age offender to the highly sophisticated operations of the dishonest officeholder; in short, every conceivable infraction of both the moral and the legal codes. Here lies before us the whole tissue of evil in our place and time: the prevalence of rudeness, the lack of discipline, the contempt for order, the defiance of authority, as well as the grosser manifestations that come under the all-too-familiar headings of bribery, graft and corruption.

And now I want to say to you that our Nation has come to the end of this road of shame. We must now resolve to turn around and retrace our steps to the point where we abandoned our priceless heritage of decency and honor,

dignity and responsibility, and accepted in their stead the tinsel substitutes of dishonesty and greed, cunning and get-rich-quick. We must return to the time-honored decencies and recapture the sense of incorruptible dignity that has long been the hallmark of our national tradition and the proudest ornament of our race. What we have been once, we can be again.

The essence of this tradition is integrity, hard work, honest reward, simple living, and if need be, dignified poverty. I speak of these rules of our traditional way of life from my own personal experiences as reflecting qualities of the mind and spirit that are as real as they are attainable. These rules are not solely for saints or heroes, but for the governance of the daily life of every man. And when I speak of dignified poverty, let no one believe that I wish thereby to consecrate poverty as a virtue in itself. Poverty and its gloomy sisters, ignorance and diseases, are the primordial enemies of man and society, and we must labor constantly to reduce their scope. But contentment with what one has is not incompatible with a normal ambition for self-improvement, and the true moral problem for everyone is to maintain a proper balance between the two.

There are those who would remind us that the prevailing moral climate in any given society is the direct consequence of the economic and social conditions obtaining therein. This is true, yet no more true than the reverse doctrine that the moral values held by a people dictate the economic and social relations that obtain among them. The objective truth is perhaps that these two elements interact upon each other endlessly, back and forth. Therefore, to change one is to alter the other also.

This is the reason why I have set as the twin goals of my Administration the economic development of the country and the moral regeneration of our people. I believe that a two-pronged attack against economic backwardness and moral decadence is the surest and most speedy way to effect a balanced over-all improvement in the life of our people.

Fortunately, our country is rich in natural resources. If we develop these resources and husband them with care, the new wealth thus created would be reflected at once in the higher standards of living of the people. But both the capacity to develop our country's resources in the national interest and the proper enjoyment of a better life presuppose a set of moral, intellectual and cultural values that is hospitable to the achievement of these purposes.

Side by side, therefore, with our plans for an accelerated program of agricultural productivity and industrial expansion, we must push vigorously a program for the transmutation of the moral values held by our people. The two cardinal elements in this process of transmutation are the principle of order and the sense of discipline.

Ours is a democracy, and a democracy our country must forever remain. Our freedom-loving people would never accept or tolerate any substitute. I have repeatedly said that I would prefer democracy with all its shortcomings and freedom with all its abuses to the glossy and deceptive perfection of a regimented society.

However, this is not to say that a democratic society is exempt from the obligation to look at itself in the mirror, so that, by this salutary exercise in candor, it may recognize its own weaknesses and errors, and apply the appropriate remedies.

This is not to say that democracy is incapable of national order and discipline and a leadership that can inspire and bring about such condition of harmony and stability. Such leadership need not be dictatorship. Call it democratic leadership or whatever you will but there must be leadership in a democracy that can fuse its centrifugal freedom into a centripetal order and discipline for the national well-being.

The basic difference between such a leadership in a democratic society and dictatorship in a totalitarian state is that democratic leadership bases its strength upon virtue while dictatorship predicates its power upon force. In the end, virtue is stronger than brute force. Virtue derives might from its innate qualities of wisdom and firmness. Through this virtuous leadership, the liberties in a free society, which untamed will lead to license and chaos, should be harnessed and synchronized into national discipline and order upon and through which the democratic society shall move to undertake its constructive tasks for the general welfare.

The moral, political and economic state in which our Nation finds itself today poses a challenge for the assertion of leadership in our democratic system without which the system collapses from suicidal wranglings that circle around aimlessly in a vicious stalemate. We have set the sights of the Nation on twin goals. We have asked for combined action to move together towards those goals. Because our democratic society shall fail otherwise and with it we shall fail in our responsibility which the sovereign will of our people reposed in us, we say with grim resolve that should our bid for cooperative effort not be responded, we shall display the strength of leadership that derives its might from virtue to fight against any man or any group, no matter how seemingly powerful they may be, in order to achieve the economic well-being of our people in a setting of national order and discipline which is a desirable and realizable attitude of democracy in times of necessity.

I have deliberately chosen this solemn and memorable occasion of the commencement exercises of the University of the Philippines to perform the necessary act of conscience, the candid act of national self-criticism. For here I would like to affirm with all the force at my command that the most massive programs of economic development shall profit us nothing, and nothing shall be added unto our Nation, unless by a change of heart and by the transformation of our spirit we are able, once again, to accept individual discipline, the norms of order of society, and respect for authority as the fundamental principles by which we live. All the economic gains we achieve would be annulled by the prevailing moral chaos in our national life. This anarchy of conscience could, in turn, open the door to political insecurity and collapse.

I have chosen to address this earnest injunction to you, members of Class 1962, because you are the intelligent citizens of a free republic of learning, within the democratic Republic of the Philippines. You are the fair hope of the Fatherland. Nourished in liberty, may you go forth from these halls convinced that individual discipline is not incompatible with liberty. Cherishing freedom, may you go out of this campus believing that order is not incompatible with freedom. Devoted to human rights, may you go into the world persuaded that respect for duly constituted authority is not incompatible with human rights.

More than twenty years ago, an earlier generation of Filipino youth heard in the old U.P. campus on Calle Padre Faura these moving and prophetic words of President Quezon:

"I want the Filipino youth to grow like the molave erect on the hillside, strong in its fibre to withstand the wind and the storm."

Not many months later, thousands among the young students who heard President Quezon marched to Bataan and Corregidor and to a hundred other battlefields to give abundant testimony of their kinship with the molave.

From here, you of this generation shall be called upon to march, not to another Bataan or Corregidor, but to a hundred other equally heroic battlefields to meet in deadly combat the mortal enemies of our national conscience. May you, too, grow like the molave, strong in its fibre to withstand the wind and the storm.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Radio Speech of President Macapagal on the Program, “President Macapagal Speaks to the Masses”

**Radio Speech
of
His Excellency Diosdado Macapagal
President of the Philippines
On the Program, “President Macapagal Speaks to the Masses”**

[Released on April 16, 1962]

MY FIRST THIRTY DAYS

THIS IS MY FIRST opportunity to speak to you since you elevated me to the Presidency of our country in the elections of November 14, 1961. The first feeling that I wish to express coming from the core of my heart, is that of sincere thanks for your support.

I consider it my first duty to report to you what has happened since I assumed the Presidency on December 30, 1961. This is a pleasant task not only because I feel it my duty to report to you from time to time but also because there is so much to report on what had happened during my first thirty days in office.

It is my belief that in thirty days, we succeeded in laying down the foundation for the events of the next four years of my Administration.

In my inaugural address, I summarized the tasks of our Administration which include the pledges I made during the campaign, as follows:

- 1) The solution of the problem of corruption;
- 2) The attainment of self-sufficiency in the staple foods of our people, namely, rice and corn;
- 3) The creation of conditions that will provide more income for our people—income for those who have none and more income for those whose earnings are inadequate for their elemental needs;
- 4) The establishment of policies that will strengthen the moral fiber of our nation and reintroduce those values that will invigorate our democracy;
- 5) The launching of a bold but well-formulated socioeconomic program that shall place the country on the road to prosperity for the benefit of all our people;

I am happy to report that all of these were started during the first thirty days of our four-year term.

The significance of this performance is two-fold; first, we clearly laid down and set into motion a program embodying what the people can expect to be done in the next four years; and, second, this was done despite the fact that the Congress is controlled by the other political party, making it clearly evident that with dedication and determination and with the people’s support, we can achieve our goals even under more difficult circumstances.

On the problem of corruption, we have done, among others, the following:

- 1) I issued Administrative Order No. 1, which bans my relatives from dealing with the Government, and prohibits any office or official of the government from dealing with them.

2) My statement of assets and liabilities and those of my cabinet members were submitted and subsequently made public.

3) We started the prosecution of grafters, starting with the prosecution of Cosme Garcia, the brother of the former President, for influence peddling. In order that no one would be spared in this anti-graft drive, I selected as graft-buster a Secretary of Justice who is not identified with the Liberal Party.

4) I waged a relentless war against the tong system, bribery and influence peddlings by talking and pleading with business leaders and I have pursued this campaign even more vigorously among government personnel at all levels.

5) In selecting our cabinet members and other key officials we used the criteria of integrity, honesty, and dedication,

6) I recommended to Congress the establishment of a Moral Commission which will be composed of upright leaders in government, church, school, business and civic groups to conduct a nation-wide program of moral regeneration.

7) My family and I have set the personal example in honesty and integrity.

The effectiveness of the drive against the occurrence and prosecution of graft—not merely through prosecution as was the case in the past—may be gleaned from the report that some unscrupulous businessmen have been reportedly planning to remove their capital from the Philippines because they can no longer bribe their way into the good graces of the present Administration. This development is a healthy sign for altho I welcome investments, including foreign capital, I must also say that we can only welcome honest and legitimate investors and not fly-by-night operators.

On the problem of self-sufficiency in staple foods, a rice and corn program calculated to bring about such sufficiency despite tremendous difficulties has been implemented.

What were these difficulties? The present Nacionalista leaders of Congress declined to agree to hold a special session to tackle this problem due to preoccupations over maintaining their legislative leadership. Likewise, the officials of the National Rice and Corn Corporation (NARIC), on prodding of the Nacionalista leaders, refused to vacate their positions to enable us to work out our program. To meet these difficulties:

First, I created the Presidential Rice and Corn Committee which will take charge of our rice and corn program;

Secondly, I suspended the top officials of the NARIC for gross inefficiency and appointed new officials who could carry out our own rice and corn program.

Thirdly, I directed the Presidential Rice and Corn Committee to formulate and implement a program of increased productivity in these basic foods.

Fourthly, I recommended to Congress the creation of a Rice and Corn Administration, which would, upon establishment, replace the NARIC and Presidential Rice and Corn Committee and take charge of continuing our rice and corn program.

With these measures properly implemented—and I am resolved to do this—I am confident that we shall achieve self-sufficiency in rice and corn at prices within the reach of the masses of our people.

On the problem of employment, we took the following steps:

1) As a long-range solution to the problem of unemployment, I launched an integrated five-year socio-economic program.

2) As a Short-range solution, I recommended to Congress the creation of an Emergency Employment Administration which would undertake a program under my direction, to assist private enterprise in the creation of job opportunities through a P100-million public operation fund consisting of productive and job creating projects, including land settlement; agricultural land extension; forest conservation and reforestation; promotion of cottage industries; and public works which directly promote economic growth. Upon the enactment of this measure, I shall be able beginning July to put underway an employment program which, as I start, could put to work at least 200,000 people in undertakings that will augment the production and potentiality of the country.

On the establishment of policies that would establish new values, I have been vigorous in this effort. Apart from instilling integrity in Malacañang, the concept of simple living has been launched. Thus, we have been dressing simply, we are using a 1957 Ford car, we have eliminated a “kitchen cabinet” and the usually large retinue accompanying official trips in the past. I have enforced economy in the expenditures of public funds without sacrificing essential public services. We have proceeded against influential persons, showing that in our drive for good government, no man should be spared or held above the law. In general, I have so acted to show that even the President of the Philippines is no different from the average citizen except in those things which are essential to carry his greater burden of bringing about a prosperous and happy life for his countrymen.

Finally, I have submitted to Congress a five-year integrated socio-economic program, the ultimate result of which will be the attainment of our main goal of a better life for our people. While Congress considers this program or its implementation, I have proceeded to its implementation by taking, among others, the following steps:

1) The implementation of decontrol which I effected on my twenty-first day in office, in order to remove an important source of corruption and to unshackle the economy so that through its innate vigor it may propel its expansion in free enterprise.

2) The adoption of executive safeguards to decontrol including a revised tariff code to protect local industries and their consumers; the securing of a dollar stabilization fund from the United States of over \$300 million in only eight days; and the increase of the salaries of low-income employees, as well as the insuring of low prices for the staple foods of our people.

3) The synchronizing of the fiscal and monetary policies on the part of the Executive Department to insure the faithful implementation and success of the socio-economic program.

The foregoing are, briefly, what have been done with dedication in the first thirty days of the new era that we seek to bring to our people.

What has been the reaction? It is gratifying to know that the reaction has generally been one of approval and satisfaction. In a survey conducted by Robot Statistics, it was found that 76 per cent of the populace approved our performance.

It is unavoidable that there are some discordant voices. Among business groups, while there is general approval for the decontrol and socio-economic development programs, complaints have been voiced against tight credit restrictions which have allegedly prevented more productive investments because of the resultant lack of capital and that the unstable and unrealistic peso rate has caused anxiety. I want to assure you that these stringent credit restrictions will be relaxed gradually. The removal of the time deposit requirement of 25% on essential imports was a step towards gradual release of restrictions.

It will be noted that the restrictions refer to commercial credit transactions. To provide credit for investments, decisive strides are being made. The Development Bank of the Philippines is being financially strengthened. In addition, steps are being taken to establish a private industrial development bank during the current year.

I am aware of the necessity to make available credit for economic expansion. It is being urged that economic expansion be preferred over timidity which may excessively concern itself with monetary stability. We ask for

patience and understanding on this point because our goal, which is an attainable ideal, is economic expansion with monetary stability.

I must draw your attention, however, to those who were associated with the past Administration and who, for partisan interests, now seek to sow discontent and thereby undermine and scuttle our efforts. Although the past Administration also favored decontrol, they now either criticize it or utilize its early and temporary effects to undermine the confidence of the people in my Administration. For instance, they capitalize on the upward effect on prices, thus attempting to impair the faith of the people in the present regime, although this effect on prices is only temporary and is not reflected of the final outcome of the program.

I ask you not to listen to these detractors because they seek to mislead you for partisan ends. If they are sincere or if they know what they are talking about, they should inform you that upward price effect of decontrol is expected to be only temporary but that as the integrated socio-economic program goes underway, goods will become more plentiful, prices will become steady, and the livelihood of the people will be better than it was in 1961. Meantime, we have taken steps to insure a reasonable price for rice and corn and prime commodities in order to safeguard the welfare of the masses.

I ask that more time be allowed before we are judged by the results of our efforts towards moral regeneration and economic progress. Whatever may seem to be the transitory repercussions, I am confident that the final result will be a better life for our people than they had under the past regime. You can rest assured that I will not relax nor falter in the determined efforts towards this objective. Premature judgment is unwarranted, especially on the part of those partisans of the past regime. They should not be impatient and should not agitate impatience and discontent. It should be remembered that I am only straightening out the mess that was caused by them during the past five years. One change is clear: There are no more privileged persons and groups under our Administration. All citizens are being treated equally in the new economic system of private enterprise which is based on freedom and integrity. If there are any difficulties now, everyone faces these difficulties, which are transitional and transitory. What is important is that in due time, these difficulties will give way to conditions of better livelihood and when that day comes, all citizens of the Philippines shall be equal in the enjoyment of those opportunities for a better and happier life.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal on Labor Day

Address of His Excellency Diosdado Macapagal President of the Philippines On Labor Day

[Delivered on May 1, 1962]

NEW HOPE FOR THE COMMON MAN

ONCE AGAIN, we honor some 10 million Filipino workers, together with their fellow workers all over the world. But if Labor Day 1962 must be more than just a yearly ritual, Philippine labor will be well advised to use it as an occasion for some serious introspection. The fundamental problem to which it must address itself is the fact of its own weakness. There is a long unfulfilled expectation that its leaders will be able at last to surmount rivalries and learn to forge an effective working unity.

When trade unions are weak, inequality in labor relations is sharpened; trade unions tend towards truculence; and worse, they become easy prey to those who, by the appeal to narrow class prejudice, would mislead the minds of our workers and turn them against our democratic institutions.

Leaders of Filipino workers have been, in general, alert and strong-minded men, with a genuine belief in democracy and with the determination, in fact, to make democracy work by extending its benefits and its base. The record of this movement has been good and true, marred only now and then by the temporary ascendancy of a misguided few who, in the end, were repudiated by the workers themselves.

Leadership is more apt to be misused when it is exercised by separate individuals owing no loyalty except to their immediate followers, subject to no outside discipline, and beyond the judgment of even their own peers. The present fragmentation of the labor movement in the Philippines creates precisely such a situation, each union claiming: to be a regime independent of the others.

I believe that by getting united, the labor movement would be a more positive and more responsible leading force in national progress.

The problem of strengthening the trade unions, however, devolves primarily upon the unions themselves. The proper role of the government is to provide the necessary guidance so that labor will grow in directions that are free, democratic and responsible. But to the extent that government encouragement shall be compatible with the freedom of our workers' organizations, I propose to provide a social climate where they can acquire a stronger voice in public affairs and greater participation in the formulation of our economic and social policies.

My Administration shall foster the institution of free collective bargaining. This is the indispensable means by which our working masses may be assured a fair share of the fruits of economic development.

Considering, however, that an estimated 70 per cent of our wage-earners do not as yet belong to unions of their own choosing, we shall attempt to give more life and effect to those labor laws which set the minimum standards of wages, health and safety for both factory and farm labor. The most basic of these statutes for the protection of labor, which include the minimum wage law, were reforms introduced by the previous Liberal Party Administration. These laws, unfortunately, frequently proved, in the past, a mockery of justice as they were more honored in the breach than in the observance. In the hands of a corrupt Administration, these laws became mere weapons of extortion and harassment of business firms, and injustice to the workers. We shall go hard on those guilty of such abuses. Under my Administration, attempts to traffic on the welfare of the underprivileged shall never be countenanced. I pledge my Administration to the full enforcement of these labor laws, without fear or favor.

Consistent with this policy of maximum protection to our workers, we also desire to cut down red-tape in the adjudication of labor cases. At present, even the most modest of workers' claims have to pass through a labyrinth of judicial offices before they can be settled. I favor a system of reducing such procedures and delays, which can only militate, in time and in cost, against the workers.

As part of our over-all program to raise the living standards of our people, it is our goal to provide more adequate public housing for our wage-earners. As a matter of policy, I believe the workers and their families should be entitled to the highest priority in government-sponsored projects. We shall certainly encourage private employers to initiate housing projects for their workers. Where this is not feasible, the government will not hesitate to take the initiative.

As a matter of fact, we have submitted to Congress a bill which would set up for a beginning P15 million worth of low-cost housing for our workingmen and their families. I intend to see that this will be promptly carried out.

It is generally known that the low-income group is the first to be affected by any movement in prices of commodities. While this Administration is committed to insure those conditions that will stabilize prices, we should like to see workers, perhaps through their unions, initiate the organization of consumers' cooperatives which will place the necessities of life within easy reach of the working masses at the lowest possible cost, and protect them against the harmful effects of hoarding and artificial prices generated by business manipulations. Government aid for this purpose shall be made available.

We are determined to expand essential public services, such as education and public health, which is one way of bringing about a fuller distribution of welfare in favor of the common man.

The Government, moreover, views with sympathy efforts being made to extend the protection of trade unionism to our harassed and exploited farm workers, particularly in the sugar industry.

I shall employ all the powers of the Presidency, moral as well as legal, to protect the workers' rights. My chief ambition, as I have stated time and again, is to devote my life to the liberation of the common man from the shackles of want and ignorance.

We shall, however, look with concern upon any attempt to foist ideological causes upon our workers, which would lead to the undermining of our democratic institutions. I have no doubt that you are aware of this danger and of your own responsibility to our democratic society. I said I shall not hesitate to carry out the constitutional mandate for safeguarding the security of the State. To a large extent, however, the trade unions themselves are called upon to face and deal with this danger on their own. I therefore call upon our democratic trade unions, upon the masses of our workers, to exercise full vigilance over threats of communist infiltration. The full rights of the workers and their families, after all, may be enjoyed only in a democratic society.

The Government is committed to exercise economic leadership and it will do so, with all the vigor at its command, especially in the vital spheres affecting the common man. I have once said that we shall create conditions which will provide more income to our people—income for those who have none, and more income for those whose earnings are inadequate for their elemental needs. To this end, I have forwarded to Congress a bill which would generate employment opportunities in the public sector. This bill, known as the Emergency Employment Bill,* will, upon enactment and implementation, raise the purchasing power of consumers, create an effective demand in the market, induce production and generate private employment opportunities. It will attract investment because of public improvements and services essential to economic development which the Government will be able to undertake, thus fully supporting the private sector in the creation of jobs in industry. It will likewise provide direct employment to laborers in public works projects. In short, it will generate direct job opportunities in the public sector and simultaneously increase industrial and agricultural productivity.

I cannot overemphasize the fact that it is in the economic development of the country that keeps abreast with the rising population where the worker's best welfare lies. This economic growth at the desired pace is not possible without attracting investors, both domestic and foreign, to pour their capital into business ventures that create jobs

and goods. In its supreme welfare, labor can help greatly in the task of inducing investments by not foregoing their rights, yet being reasonable in their demands, mindful of the wisdom not to kill the goose that lays the golden eggs. At the same time, the investors and their management should willfully accord to their workers a joint proportion of the profits of the enterprise, mindful of the wisdom that contented laborers are efficient workers who augment the profits. With understanding workers and enlightened employers, this country, with its teeming resources, shall move fast towards prosperity for all and a more dignified life for the common man.

In the new climate of hope for the common man, I hope to see, in the next four years, a more united trade union movement. I hope, with your support, to accelerate the motion towards a higher level of life for the masses of our workers.

It is with justifiable pride and hopes for the future therefore, that I salute the workers of the country on Labor Day today. Together, we shall conquer new heights of achievement to the end that the Filipino workers and their families may realize better and fuller lives in dignity and freedom.

* Congress enacted this bill on May 17, 1962, the last day of its regular session.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal before the Jose Abad Santos Memorial Society

Address of His Excellency Diosdado Macapagal President of the Philippines Before the Jose Abad Santos Memorial Society

[Delivered on May 2, 1962]

JOSE ABAD SANTOS

IT WAS TWENTY YEARS AGO on May 2, 1942, when Jose Abad Santos willfully gave his life for his country but it is only now that the whole Nation has acknowledged his stature as a martyr and hero because the national life during the postwar years was dominated by leaders whose claims to patriotism were the antithesis of Abad Santos' sublime heroism. Now that those leaders are gone, enshrined in the fond memory of the Nation for their own service to country, it is fitting that the veil of wariness and indifference that has enshrouded the peerless martyrdom of Abad Santos be torn asunder in order that he shall take his rightful place in the memory and love of his people as the outstanding Filipino martyr of the second World War who ranks with Jose Rizal.

At the outbreak of the Second World War, Abad Santos was one of the most outstanding Filipino leaders. With a rich academic background of studies both in Philippine and American universities, sterling record as a public official and a former Secretary of Justice, he was the Chief Justice of the Supreme Court who was at times mentioned as a compromise candidate for the presidency of the Commonwealth to prevent a fight among the triumvirate of Filipino leaders, Manuel Quezon, Sergio Osmeña and Manuel Roxas.

Shortly after Pearl Harbor was bombed he was tapped by Quezon to go to Corregidor as a member of the War Cabinet, and in the tunnels of that bastion, he administered as Chief Justice the oaths of office to President Quezon and Vice-President Sergio Osmeña on December 30, 1941. On February 22, 1942, three days after his fifty-sixth birthday, he left with the Quezon family for the Visayas. He was accompanied by his eldest son, Jose, Jr., who was then a lieutenant of the United States Armed Forces in the Far East and who had served as one of the junior aides-de-camp of the President.

The Quezon party boarded the submarine *Swordfish* and landed in Antique, where Justice Santos took the *S.S. Don Esteban* for Iloilo. On March 17th the President while in Negros Occidental received a request from General Douglas MacArthur to leave for Australia. Asked if he wanted to accompany them, Abad Santos replied that he preferred to remain there to carry on with his work, and stay with his family.

He returned to Cebu shortly thereafter, as he had been named acting head of the Commonwealth Government by the departing President who had entrusted him with half a dozen cabinet portfolios for the job. The enemy had left the Visayan islands pretty much to themselves during the first few months of the war, but now that he had received reinforcements from Malaya after the fall of Singapore, his forces of occupation began to press at a dozen points in the Visayan islands. On April 11, 1942, two days after the fall of Bataan, while Abad Santos was traveling in an automobile from Barili across the mountainous hump of the island to Carcar in the company of his son and the late Colonel Benito Valeriano, a platoon of Japanese soldiers jumped their car and captured them. For the next three weeks, at close intervals in the beginning, Abad Santos was interrogated by intelligence officers of the invading army.

What the subject of these interrogations was, we cannot be certain, for not even his son who remained imprisoned with him can say, although once he heard his father firmly reply: "I cannot possibly do that, because if I do so I would be violating my oath of allegiance to the United States." What were the Japanese asking him to do? Order the Filipino soldiers to surrender? Convince the civilian officials to collaborate? Accept a post in the puppet government? Whatever it was, he refused to do so. The United States flag was still flying over the beleaguered

island of Corregidor, American sovereignty in the Philippines still existed, and he could not be recreant to his oath of office pledging allegiance to that country.

The late President Manuel Roxas, who was then a brigadier general of the USAFFE and was with him in the Visayas, believed that the charges against him were that he was responsible for the printing of emergency currency notes used effectively by the guerrillas in their resistance movement, and for the burning of the City of Cebu and the destruction of bridges and other public works. The latter accusation, of course, was ridiculous for the “scorched earth” policy was followed and executed by the retreating USAFFE forces and civilian officials had no part in it. In this connection, it was likely that the enemy used no physical force or torture on him, undoubtedly because of his high position and the quiet dignity of his personality.

A lover of peace, the last war distressed him greatly. He firmly believed that wars were caused by the brute that is still in man, by leaders who follow the law of the jungle and who try to build their power through force at the cost of the destruction of civilization and lives of millions of human beings. To General Roxas he once confided: “There will never be a lasting peace until the common humanity of man of all races and climes shall have been accepted and made the basis of international policies; there will never be a lasting peace until the common man shall have risen to his rightful heritage of dignity and power in shaping the destiny of mankind, and his freedom, welfare and happiness become the concern of all nations of the world.”

At the end of that month, April of 1942, father and son were suddenly taken by boat to Parang, Cotabato, in the company of an enemy military force. The next day they were loaded on a truck for Malabang, Lanao, to the north along Illana Bay, where they were confined for three days at the former Constabulary barracks.

The climax came suddenly and without warning. After lunch on May 2, the Japanese interpreter named Keiju Fukui told Abad Santos that he was wanted at the local enemy headquarters. He returned shortly thereafter to announce to his son: “Pepito, come down. I have something to tell you.”

Father and son then went to a nearby nipa shack where the former calmly announced: “I have been sentenced to death. They will shoot me in a few minutes.”

Horried, the son began to weep. “Do not cry,” said the father, “What is the matter with you? Show these people that you re brave! This is a rare opportunity for me to die for our country, like Rizal—not everybody is given that chance.”

He asked that the children live up to his name. Then the pair knelt to say a brief prayer—one last embrace—and off the elder man was gone with his captors. Some minutes later a volley of rifle fire could be heard. Later in the afternoon Fukui returned to lead Pepito to the place of execution, a circular mound of earth that made the son suspect that his father might not have been executed. Were not graves long in form to cover the length of a dead man? For many days young Pepito hoped that his father had been whisked away for some unknown reason, until the conviction grew that corpses could be unceremoniously dumped in a bent position when his executioners are ashamed and in a hurry. He recalled what Fukui told him, after looking around to see that they were alone: “Your father died a glorious death.”

Why the sudden execution? Why was Abad Santos taken to Lanao? It is possible that the enemy wanted to use him in their work of pacification or that his case had been referred either to Manila or Tokyo for decision, necessitating a fortnight’s delay, and when the radioed answer came the sentence had to be carried out without delay? General Kawaguchi, commander of the Imperial Japanese Forces in Cebu, was reported to have disclaimed responsibility for the harsh decision, blaming his chief of staff, Colonel Kawakami, for it. Another report said that Major General Hayashi, commander of the Japanese Military Administration in the archipelago with headquarters in Manila, handed the final decision. It matters little as to who was responsible for the execution of Jose Abad Santos, for it turned out to be the gravest political blunder that the enemy committed in the Philippines during the last war. It made a national hero and a martyr of a gentle jurist, a soft-spoken patriot who had never harmed anybody. It created a rallying point for the resistance leaders to propagate among the people the fierce spirit of liberty that would expel the invaders from Philippine shores.

We are honoring today Jose Abad Santos because he possessed those qualities which make any man of any race great—the refusal to sacrifice his convictions for earthly gain and honors! He was a man who lived—and died—for his principles. Like the other hero-martyrs in our history, like Rizal, Burgos, Zamora and Gomez, given the choice of life with dishonor, he preferred death with honor! It is significant that these hero-martyrs in our country were men of peaceful pursuit—doctors, priests and lawyers—and that we Filipinos have enshrined them in our hearts perhaps a niche higher than the soldier-heroes who also gave their lives against the enemy, such as Generals Candido Tirona, Gregorio del Pilar and Vicente Lim.

In an age that is fast moving towards closer cooperation among nations, one facet of the heroism of Abad Santos merits to be recorded. It comes from the fact that he refused to collaborate with the Japanese foe because, in his own words, “I cannot violate my oath of allegiance to the United States.” This makes him truly not only a Filipino but American hero. Symbolic of the historic ties of friendship and alliance for freedom between the two nations, he may be said to be the supreme Fil-American hero. Since the Philippines and the United States were then engaged, as they continue to be, in a heroic struggle for the freedom of all mankind, Abad Santos was in the broader perspective one of the heroes whom the whole world will enshrine in its grateful memory and affection.

The supreme worth of Abad Santos’ martyrdom was in the revealed grandeur and strength of his character which was the sum total of his life and career. His was a character so strong and magnificent that it could have been expected that he would rather willingly and gladly die than do what he did not believe in.

That is why there is the more reason we should emblazon his name in indelible letters of true greatness and immortality in our time and for all coming generations to enshrine as a reminder that a people’s future and greatness lie in their character. For it is sad but true that the Filipino character is undergoing a critical trial of disintegration or renaissance.

Why do I say this? The evidence has been all around us. Many have regarded public office not as a mode of service but as a means for the amassment of wealth. Leaders have posed as servants of the people but have thought only of promoting their political ambitions without regard to the public welfare. Soldiers have shown more fervor for the remuneration for their role in the service to country than pride in an act of patriotism which is its own best reward. Businessmen have sought their advantage over the general well-being of the economy and of the population. Labor leaders have given more loyalty to those who had political and economic power with which to dispense favors than to the effective struggle for the rights of their wards. Newsmen who have pontificated about public office as a public trust have received material favors from those whom it was their duty to objectively write about.

During my term as the outcast second highest official of the land, I felt apprehension that our people were losing their courage and character when outstanding civic and business leaders, despite their outrage over the malfeasance of those who were in power, nevertheless avoided talking to me or being seen in my company out of fear of reprisal against their interests. Here are the top leaders of the community forsaking their convictions in fear of losing measly material benefits while Filipinos in times past gave their lives for their convictions. More than anything else, it was the fear that the degeneration of the Filipino character might become permanent which goaded me to struggle against uneven odds so I am grateful to the Divine Providence that we won in that contest for now the Filipino character can achieve a rebirth of nobility and strength through the common effort of all good citizens.

The tending weakness of the Filipino character may be described as a propensity to follow the line of least resistance. This means making money through the use of influence rather than through the application of know-how, integrity and hard-work. This results in political leaders doing favors for those in charge of media of information rather than doing the right thing and being ready to uphold it. This induces civil service men to seek the backing of politicians rather than improve their efficiency to advance their career. In its supreme test, this meant for some during the Japanese occupation collaborating with the enemy to save one’s life or keep away from misfortune.

The distinguishing sinew in the robust character of Abad Santos was that he did not believe in following the line of least resistance. He believed in pursuing what was right through the right way, no matter how hard the road, no matter what the cost would be, including life itself.

In these troubled times when the world is darkened by clouds of a new and ominous tyranny, Abad Santos is symbol of free man, an apostle of democratic ideals, who did not hesitate to sacrifice himself on the altar of liberty and human dignity.

We need today to stamp the image of Jose Abad Santos, his strength of character that would be willing even to give up his life for his conviction, upon the national consciousness in order to prevent our people from degenerating into a nation of moral cowards and sycophants.

Rizal was the purest martyr of his time when he sought the nation's freedom because he gave his life in an uneven fight against oppression. Abad Santos is the noblest martyr of our epoch during which we have sought the strength of a government of the people because being a model, upright and faithful public servant he willfully gave his life for his principles.

Abad Santos justly belongs to the ages but the lessons of his life and martyrdom must begin its vitality with us. It is a homage to his memory that on our part we shall try to be the upright and faithful public servant that he was. It is a tribute to his greatness in martyrdom that in leading our people, we shall, like him, spurn the line of least resistance in seeking the well-being of our people but we shall pursue the right and true path, no matter how hard and trying the road, no matter what the cost.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**Address of President Macapagal before the Manila Lions Club Address
of
His Excellency Diosdado Macapagal
President of the Philippines
Before the Manila Lions Club**

[Delivered on May 8, 1962]

TOWARDS PROSPERITY THRU FREE ENTERPRISE

IT IS BOTH a pleasure and a distinct honor for me to speak before this time-honored body whose many public projects in the past stand as eloquent testimonials of the civic consciousness of its members and officers. Judging from your numerous public service accomplishments, I can say without hesitation that the Manila Lions Club has grown in stature and influence and has acquired a prestige as a service organization in this country that is difficult to equal.

I would like to review and outline today the efforts so far dedicated by the present Administration in achieving the desired goals I set forth in my inaugural address, namely—

1. To solve the problem of corruption;
2. To attain self-sufficiency in rice and corn;
3. To create conditions that will provide more income for our people;
4. To establish practices that will strengthen the moral fiber of the Nation and introduce those values that would invigorate our democracy; and
5. To launch a well-formulated socio-economic program that will meet the needs and requirements of our people.

In pursuance of this five-fold mission, we have implemented the following:

1. Lifted controls on foreign exchange transactions last January 21st;
2. Officially launched a 5-year integrated socio-economic development program;
3. Formally launched and sponsored a moral regeneration movement; and
4. Submitted to the Congress of the Philippines, to support the economic program and achieve the goals of the Administration, a complement of measures urgent in nature and far-reaching in their implications.

To implement the Administration's moral regeneration movement, a suitable bill was submitted to Congress creating a Moral Commission.

For the immediate alleviation of the plight of the common man, we have prepared and recommended for congressional action the following urgent measures:

1. A bill creating the Rice and Corn Administration with functions to implement a program that would achieve self-sufficiency in rice and corn at prices within the reach of the masses;
2. Enactment of suitable legislation to assist private enterprise in creating more opportunities for employment;

3. Appropriation of funds for the construction of apartment houses for displaced squatters and persons belonging to the lowest income groups;
4. Increase of salaries of government employees;
5. Recommended greater outlays for the improvement and expansion of essential public services.

To support the decontrol program, to restore economic stability and establish dynamic basis for future economic growth, we have also recommended the following measures:

1. The further revision of the Tariff Code;
2. The passage of a foreign investments law with certain declared objectives;
3. To eliminate the 20% dollar retention being made by the Central Bank on export receipts and thereby effect full decontrol, the enactment of an appropriate law imposing a selective export tax on certain protective exports and on raw materials that can be processed locally;
4. The repeal of the margin levy on foreign exchange;
5. The repeal of the barter law;
6. The re-examination and amendment of the Basic Industries Law, as well as the present tax structure of the country with the view to ascertaining the impact of the present tax rates on industry and living costs; and
7. The creation of an anti-smuggling office to eradicate smuggling activities that seriously impair the national economy.

In addition, through administrative action, 50% of the investible funds of the Government Service Insurance System and the Social Security System have been channeled to the Development Bank of the Philippines to expand the authority of the latter in granting long-term and investment loans for productive enterprises.

In launching the decontrol program, I announced that for a stabilization fund we have secured commitments from the United States government, from private banking institutions and from international financial organizations no less than \$300 million, excluding approximately \$94 million worth of commodity accommodations under U. S. Public Law 480. Doubts have been cast about the existence of this fund. Such a doubt is an insult not only to my credibility but also to my sensibility. I assure you that these commitments exist but we have not considered it timely to use them. It will be also noted that we have not yet tapped financial support from European countries which have proffered financial assistance to the Philippine Government in its effort to achieve economic growth and stability.

The end-objectives of the concrete measures which we have so far taken are aimed to bring the benefits of economic development to the people, provide the wherewithals for a better life for the common man and set forth the guidelines that would develop a climate highly favorably to business enterprise in the Philippines. With the lifting of controls on foreign exchange transactions, our entrepreneurs and citizens, businessmen and traders, importers and exporters, producers and processors, now move in an atmosphere of freedom in formulating their business and financial policies. We have substantially reduced corrupt practices and eliminated, to a large extent, the activities of ten percenters and influence peddlers.

I do not mean to say that our job is completed and that our goals have been achieved. The magnitude of our tasks in this respect is enormous. I have to admit that transitional difficulties still exist in shifting abruptly from a controlled economy—the evil that had chained us for almost twelve years—to that of a free enterprise system. The lifting of controls, as you all know, was a fulfillment of an electoral pledge as well as an act of compliance with a statutory provision that requires removal of controls, by 1963. If I did not wait for 1963 before removing controls, it was

because of my firm conviction that the facts of the economic situation at the time we assumed office were such that nothing short of drastic measures had to be taken to save the economy from total collapse.

I would like to observe that through decontrol, we deal the monster of corruption a mortal blow. Although controls were a source of enormous economic and political power, knowing that they were likewise a source of corruption, I swiftly removed controls in accordance with the pledge of the two parties in the campaign because I am determined to fight corruption relentlessly until it is crushed and we Filipinos can once again raise our forehead in integrity, dignity and honor.

In our total effort to bring about desirable conditions to accelerate the rate of economic development in this country, we have not in the least forgotten to provide equality of opportunities to our own nationals. In the 5-year integrated program for socio-economic development which we are now implementing, we have so provided that the principal responsibility for development belongs to Filipino citizens who must be the principal determinants as well as the chief beneficiaries of economic progress in this country. Insofar as the role of government in business is concerned, we have adopted the basic principle that the task of economic development belongs principally to private enterprise and not to government. I repeat here and now that the government was not established to go into business and that the role of the government create a favorable environment for and to assist private business in the performance of its rightful task of developing the country and its resources, to provide guidance and inducements, to protect nationals in their legitimate aspirations at the same time to insure the just treatment of foreigners who come to our shores to provide assistance in the establishment and operation of business ventures in this country.

I consider it a primary function of government to be a stabilizing influence on business activity. Consequently, government plans, programs and policies, on the basis of which business must plan its operations, must be clear-cut and stable and must not be subject to untimely, drastic and precipitous changes. The public administration machinery of the government will be overhauled with the view to instituting efficient, economical and prompt service to the business community.

Administrative reforms will be instituted in every government service that exercise authority and discretion on the part of public servants, principally the bureaus of internal revenue and customs, so that the root source of corruption in the government will be eliminated and so that we shall be able to establish the respect and confidence of the people in the government.

Our country is blessed with bountiful natural resources, capable of sustaining the livelihood of a population twice or three times as much as we have today. The natural resources need to be developed and economically exploited if we are to achieve real progress in providing our people with the basic requisites for decent living, adequate opportunities for the attainment of material and spiritual fulfillment under an atmosphere of dignity and freedom. To be able to accomplish this, tremendous and prodigious efforts must be mobilized and applied wisely and judiciously.

The program of economic development that we have launched is the answer to this challenge. This program outlines the target and the means necessary for a total national effort to improve the economic welfare of the nation, distribute the burdens and benefits of economic development more equitably and lay the solid foundations of an economic super-structure that would provide for stable, continuing and unrelenting growth of the economy's productive capacity.

Under the program we propose to achieve the following goals:

1. A six per cent average annual rate of increase in the gross domestic product of the Philippines, through the expansion of the agricultural and industrial sectors.
2. To create job opportunities for a Philippine labor force growing at the rate of about 300,000 annually. Our goal is 11.6 million jobs by 1967.
3. To accelerate development of economically-depressed regions within the Philippines, in order to equitably distribute income on a regional basis.

These goals are feasible on the basis that:

1. An amount equal to about 16 per cent of the annual Philippines' gross domestic product is channeled into gross domestic investments during the next five years.
2. Gross domestic savings in the Philippines reach 13 per cent of gross domestic product by next year and 16 per cent by the fifth year. Now, domestic savings are about 12 per cent of gross domestic product.
3. However, since domestic savings will not be adequate for all our needs, although capital accumulation will depend mostly on the domestic effort, the Philippines needs an inflow of new foreign capital of about \$175 million average yearly over the next five years.

There has been some misunderstanding insofar as the course of action we have taken to bring about economic growth and stability are concerned. Economic development cannot be attained overnight. It is a painful process and its attainment, as I said in the State-of-the-Nation message, will depend mainly upon public support and a sympathetic understanding of our objectives. A series of ancillary problems will be confronted and have to be effectively handled. Just now we are grappling with such subsidiary problems as the search for an equilibrium rate for the dollar and the effective enforcement of customs laws. But we are confident that these and similar problems can be handled through an exercise of desirable national discipline, as well as authorities, serious and concerted efforts both on the part of the government authorities, the businessmen and the citizens.

We welcome constructive criticisms and counsel. To this end, I have frequently consulted with representatives of the business community of the problems that they face and to bring to our attention such problems for appropriate solutions. In more than one occasion I have also stressed the fact that the ultimate objectives we seek to achieve involve sacrifice of the highest magnitude. It is only through the spirit of common effort that we can be assured of future progress and prosperity.

For the success of the Administration's socio-economic program which aims at prosperity for all and a better life for the common man, the cooperation of all is necessary. It is a mistake to think that it is only the Administration who should carry the burden and responsibility of promoting economic and social progress. This is the joint responsibility of all. I must be frank in saying that we can only succeed with the cooperation of the Nacionalistas and of the people themselves.

It is the duty and responsibility of political leaders, even of the Nacionalista leaders not to destroy public confidence in the Administration and its efforts at this time because such confidence is essential to the success of our tremendous socio-economic effort. Any Nacionalista leader who for partisan reasons excites lack of confidence in the Administration's effort not only withholds his own assistance which it is his duty to give but opens himself to the valid charge of committing an unpardonable offense against the people's welfare because he seeks to bring about the failure of the national effort which will result in hardships for the people whose interest he professes to be concerned about.

The same is true with certain segments of our population. Businessmen and economic groups who act in a manner as to adversely affect the economy in an effort to gain a special advantage for themselves are acting against the people. Exporters who attempt to salt dollar proceeds to evade the 20% retention regulation of the Central Bank, thereby denying to the economy the full dollar earnings from their commodities, are guilty of obstructing the economic expansion program. Wholesalers and retailers who raise their prices to increase profits contribute to the hardships of their countrymen and even their own by prolonging if not preventing the restoration and invigoration of the economic health which will bring good to everyone. Businessmen and others who engage in manipulation to raise the peso value of the dollar in order that it would be easier for them to liquidate their bank loans are economic saboteurs. It shall be in vain for operators to endeavor to manipulate the value of the dollar for undue profit or other ignoble motives because the government has sufficient dollars in reserve to foil any degree of manipulation and the law enforcement machinery of the State will be utilized without mercy against these enemies of the people.

I therefore appeal to all to do their part in this national and gigantic effort for socio-economic progress. Those who are identified with the Administration should help in the formulation, coordination and proper implementation of policies and decisions. Those who are not, it is their duty to cooperate whenever they are called upon to do so and should at least not undermine public confidence at this particular time in the Administration's effort. All should comply with the laws and should absolutely avoid bribery of officials. Persons with capital should invest it in the many opportunities for profitable enterprise which are now available without restrictions. Exporters should export their goods as soon as these are ready for exportation under their usual schedule in the past without speculating on changes of the exchange rate. Importers should not transgress the customs laws. Market vendors should not unduly raise their prices and, if necessary, should be satisfied for the time being with less profit to maintain prices at more or less the prevailing levels. Customers should not pay for unduly high prices and should habituate themselves to buying substitutes which are available at lower prices. Everyone is duty-bound to act in a manner as to contribute to the success of the Nation's program for economic recovery and expansion under the new system of decontrol and free enterprise.

Indeed, the task of ensuring the national welfare is a joint responsibility of the Executive Department and the Legislative Branch of our government, with appropriate support from the Judicial Department. I can say with frankness and sincerity that I have solicited the cooperation of the Legislative Department of our government in the enactment of those laws which safeguard national welfare. As the session draws to a close, I appeal to the Nacionalista leaders in Congress to rise above partisanship and approve the Administration measures thereby placing the welfare of the country above the interest of the party. Insofar as the Executive Department is concerned, I assure you with all the competence under my command, that all agencies under my jurisdiction will be mobilized towards the coordinated and effective implementation of the 5-year socio-economic development program. I shall hold myself responsible and accountable for this commitment for the sake of our people.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**Radio Speech of President Macapagal on the program, "President Macapagal Speaks to the Masses" Radio
Speech
of
His Excellency Diosdado Macapagal
President of the Philippines
On the program, "President Macapagal Speaks to the Masses"**

[Released on May 14, 1962]

ON THE STATE VISIT, CONGRESS AND DECONTROL

I SPEAK to you in the midst of events that concern the entire Nation and affect the national interest. Among these are the disapproval of the \$73 million War Damage Bill * by the American Congress, the approaching end of the regular session of our own Congress and the continued vigilance over the implementation of the socio-economic program together with the decontrol of foreign exchange.

First I will speak of the war damage matter. After the disapproval of the bill, the Philippine House of Representatives unanimously passed a resolution urging the postponement of my state visit to the United States. The Philippine Senate Committee on Foreign Relations conveyed the same sentiment to the Vice-President and concurrently Secretary of Foreign Affairs for reference to me and other proper authorities. For my part, after consultation with my cabinet and other administration leaders, I expressed concern over the repercussions of the disapproval of the measure on Philippine-American relations and summoned our Ambassador to Washington to come home for consultations. Ambassador Emilio Abello arrived this morning upon which I held a long conference with the Secretary of Foreign Affairs and him.

When I accepted the invitation of President John F. Kennedy to make a state visit to the United States, I looked forward to an occasion for a public manifestation of the historic good will that had prevailed between the Filipino and American peoples for many years. Now the disapproval of the \$73 million war damage bill by the U.S. Congress shortly before my scheduled arrival in the United States has caused nationwide disillusionment and indignation among our people. This unfortunate action has been interpreted by our countrymen as indicative of a negation of legal and moral commitments to our country by the United States government and lack of interest on the part of the American people in the successful solution of the economic problems of a steadfast ally in the struggle against international communism.

The resentment of our people was further aggravated by the fact that Congressman H. R. Gross who reportedly expressed the attitude which caused the disapproval of the measure declared categorically that the war damage amount and the economic assistance extended by the American government to the Philippines in the past were handouts. I vehemently deny the correctness of this aspersion.

The outstanding fact in the present situation is that the feeling of resentment among our people and the attitude of the Congress of the United States negate the atmosphere of good will upon which my state visit to the United States was predicated. I feel that our people will never understand how, under the circumstances at this time, I could go to the United States and dwell on the subject of good will. At this present moment, the word will sound empty.

While reiterating my gratitude for the invitation that the American President so kindly extended to me, it is with deep regret that I am constrained to postpone the date of the visit until such time as the circumstances will permit me to go on a state visit, which would be most pleasant, because it would be acceptable to our people.

I look forward to making the visit and therein discussing personally with the President of the United States common problems confronting our peoples if and when the basic atmosphere of good will shall again prevail.

I shall next speak on the congressional session. When I was elected President last November, there was elected, contrary to previous results, a majority in the House of Representatives belonging to the Nacionalista Party. In the

Senate, although five of our eight candidates won, there resulted a deadlock in that chamber due to the composition of the remaining senators. Thus, for the first time in our political history, the Nation had a President belonging to one party and a Congress controlled by the other party.

This was a problem for me because I could not carry out my program involving solutions to the national problems of moral regeneration and economic development without the joint action of Congress. My initial approach to this problem was to rely on the spirit of bipartisanship or non-partisanship. However, it soon became evident that the Nacionalista leaders in both Houses would not budge from a partisan attitude. The only alternative left was for me to support Congressman Cornelio Villareal for Speakership in the House and Senator Ferdinand Marcos for the Presidency of the Senate.

Villareal became Speaker in the House through a coalition of Liberal and Nacionalista congressmen known as the Allied Majority. The members of the Allied Majority, both Liberals and Nacionalistas, deserve the approval and appreciation of the Nation. The Liberals sacrificed their claim to preferential treatment from the Administration in order to effect cooperation between the Executive and the Congress. The Nacionalistas in the coalition sought no concessions but joined the Allied Majority out of a realization that the highest interest of the Nation demanded that the deadlock between the Executive and Congress be broken. It was likewise admirable that after the formation of the coalition, the Nacionalistas in the Allied Majority have adhered to the basis of our relationship that while the Administration shall help them in their problems to enable them to better serve their constituents, our cooperation shall be confined to the support of good government and shall not extend to the condonation of wrongdoing, past or future.

The wisdom of the second alternative that we took to solve the problem of an Executive-Legislative deadlock was justified by its success in the House of Representatives. After the election of Speaker Villareal, all the vital administration bills were passed in the House. These are: the national budget, the public works bill, the creation of a Rice and Corn Administration, the Emergency Employment Administration, the Multi-Storey Housing for the poor, the P20 million calamity bill, the foreign investments bill, the amendment to the Basic Industries Law, the calling of a constitutional convention, and the adoption of the Administration's Five-Year Socio-Economic Program.

There are signs that the Nacionalista-controlled Senate may approve the Administration bills * as they acted on the Rice and Corn, Unemployment and Housing Bills. I appeal anew to the Nacionalista senators to approve all the ten Administration measures because these are the minimum requirements for the success of our program of solutions to the problems of our people. I have always believed that the senators' sense of patriotism would make them rise above partisanship; I trust that events will bear out this faith. The approval of all the Administration bills would bring about a fresh atmosphere of national unity in which partisanship would be reduced to a minimum. In such event, the Nacionalista leaders can look forward to a reciprocal attitude of cooperation from the Administration.

I am glad that the Supreme Court has forthwith decided the issue of the two Commissions on Appointments, although the decision was adverse to the Administration. I have been criticized for upholding the Allied Majority commission but those who made the criticism do not understand our position. My attitude has been to send all legal controversies to the Supreme Court for quick decision in order to clear the setting as early as possible upon which we can proceed to carry out our program of moral and economic reforms. This, again, became imperative because of the obstructions towards the fulfillment of the mandate of the people for the eradication of corruption and the opening of opportunities for a better life to the people. Because of the control of Congress by the Nacionalistas, their partisans have moved to block the Administration by making midnight appointments, refusing to resign from key positions, and other obstructive acts.

The only remedy left to me under these circumstances was to act resolutely in order that the Supreme Court may decide quickly the legal controversies involved. Between the two legal sides, the Administration chose what it believed was the right side while allowing the Supreme Court to decide the legal issues speedily. Thus, arose cases like Administrative Order No. 2, the right of the midnight appointees to return to their positions, the tobacco case, and the case of the two Commissions on Appointments. My part in these cases was necessitated by the need for seeking remedies against the obstructions of Nacionalista partisans to the measures we needed to clean the government of corruption and to make the government an effective instrument for the people's welfare. It is a gross misunderstanding of our position to impute to us a light attitude toward the courts. On the contrary, we are showing

exemplary respect for our Supreme Court in taking positive steps so that the highest tribunal will resolve the relevant legal disputes for all to heed and for the good of the Nation.

Let me now dwell on the decontrol program. It is generally realized that the wholesome effects of decontrol are not immediate. The question is asked—when will the favorable effects of the Administration's economic program come? I will answer this question.

As a background, I will start by saying that at the inception of the new regime there was general agreement that the system of controls which had been in operation for twelve years had to be discarded because of its two primordial evils: first, the control of foreign exchange was a source of widespread corruption; and secondly, the economy under controls could no longer grow at a pace to meet the needs of an increasing population.

To enable the people to meet the adverse conditions of these short-run effects of decontrol, we have moved to raise the salaries of government employees and we have urged private entrepreneurs to follow the example of the government. We shall also keep the prices of rice, corn, and other prime commodities as steady as possible; provide housing to the lowest-income groups; and create employment opportunities in the public sector which will also stimulate private enterprise and thus promote a rising level of income for the people.

After a reasonable period during which the aforesaid short-run effects would be experienced, the beneficial effects of decontrol and free enterprise will set in. These beneficent effects are: the exchange rate between the dollar and the peso will be stabilized at a level that will promote productivity; exports will exceed imports; investments, both domestic and foreign, will multiply; more goods will be produced; there will be more jobs and income; prices will level off and become steady; and because the people will have more than additional income to meet the cost of their needs, they will begin to enjoy a better life compared to previous years. This will finally mean a more abundant life, thus bringing about the redemption of the masses of our people from the prison walls of their poverty and misery.

I am confident that these two periods of development will take place during my tenure of office. Because of this, I ask for understanding and patience from the public as well as from those who complain of the transitory and transitional difficulties and who are mainly; first, those who complain of tight credit restrictions; and secondly, those who are dismayed by the fluctuating and rising dollar rate.

Regarding credit, it was necessary to prescribe credit restrictions upon the launching of decontrol to prevent the exorbitant rise in the price of the dollar and to prevent the soaring of prices. The alleged tight credit, for instance, has been unduly magnified. There are some banks today that find it difficult to meet the credit demands of their customers, because they are undercapitalized; and there are some businessmen who find it difficult to borrow more today because, for one thing, they had overextended their borrowing capacity in the past due to speculative anticipation of decontrol. Some banks, however, have sufficient credit capacity to service their customers; and many businessmen are being accorded credit which they have not publicly announced. In the Philippine National Bank alone, there is available at least P250 million for qualified borrowers.

While prescribing credit restrictions on commercial transactions, the Administration has moved vigorously to expand credit facilities for productive investments.

The Development Bank of the Philippines has stepped up its lending activities for industrial and productive investments, bolstered by 50% of the loanable funds of the GSIS and SSS which continue also to give loans from their remaining funds. The DBP has granted credits amounting to more than P100 million and it is considering loan applications amounting to another P100 million. It is also in the process of releasing some P40 million for loans previously approved. The Administration has also taken steps to establish a private industrial development bank capitalized at \$100 million to help finance medium and long-term industrial and productive investments in various parts of the country as called for by the socio-economic program. This bank will be established during this calendar year.

Regarding the price of the dollar, it has been noticed that the dissatisfaction about the fluctuating value of the dollar has been lumped together with the tight credit restrictions complained of. This is an indication of the lack of merit of

the complaint or criticism on these two matters, tight credit and rising cost of the dollar. It is evident that you cannot remedy both together by the same step. If the credit restrictions are removed, the price of the dollar will rise.

The value of the dollar, therefore, must be viewed together with credit policies. To those who advocate that the dollar must have a fixed equilibrium rate, which should be set by the Central Bank, I say that there is no disagreement on this. The divergence is as to when this will be effected.

Again, I ask for understanding on this matter. Upon taking office, I was called upon to institute decontrol, in accordance with the pledge of the two parties during the presidential campaign, under extraordinarily adverse conditions. The international reserve was, to use Governor Cuaderno's expression, "in extremis." The dollar reserves were less than \$100 million. In addition, the Central Bank had commitments of over \$300 million at previous rates which were payable within one year. Therefore, today we are still carrying this burden resulting from past and previous commitments.

The Administration should, therefore, be given ample time to establish a stable rate for the dollar. The important thing is that it is agreed that the price of the dollar must be stable, meaning to say it will not fluctuate beyond one per cent, above or below what is considered the ideal rate.

The Administration is as desirous as the business community in fixing the dollar rate and will do this very thing at the earliest possible time.

One of the obstacles to the hastening of the time when the rate of the dollar will be fixed is the 20% retention by the Central Bank of the export proceeds. This 20% retention of the export proceeds has been necessitated by the virtual discontinuance of the margin fee which netted the Central Bank some P200 million annually. In the absence of another source to fill the gap left by the margin fee, it became expedient to retain 20% of the dollar receipts of exporters.

It is imperative to remove this 20% dollar retention in order to make decontrol full and complete. The elimination of this 20% retention will speed up the establishment of conditions that will enable the Central Bank to fix the dollar rate. For this reason, I am poised to ask Congress to approve a measure to effect full decontrol by assessing for a temporary period an impost on the excess profits of the exporters who as a group have benefited the most from the decontrol.

I reiterate therefore the following: first, that current credit restrictions which were prescribed by the Central Bank in Circular No. 133 upon the institution of decontrol will be relaxed in due course; and secondly, that the Central Bank will, as soon as conditions are auspicious, establish a fixed rate for the dollar which the bank will support with our stabilization fund.

I appeal to all to do their part in this national and gigantic effort for socio-economic progress. Those who are identified with the Administration should help in the formulation, coordination and proper implementation of policies and decisions. Those who are not should cooperate whenever they are called upon to do so and should at least not undermine public confidence in the Administration's effort. All should comply with the laws and should absolutely avoid bribery of officials. Persons with capital should invest in the many opportunities for profitable enterprise which are now available without restrictions. Exporters should export their goods as soon as these are ready for exportation under their usual schedule in the past without speculating on changes in the exchange rate. Importers should not transgress the customs laws. Market vendors should not unduly raise their prices and, if necessary, should be satisfied for the time being with less profits to maintain prices at more or less the prevailing levels. Customers should not pay unduly high prices for goods and should habituate themselves to buying substitutes which are available at lower prices. Everyone must act in a manner as to contribute to the success of the nation's program for economic recovery and expansion under the new system of decontrol and free enterprise.

I ask our people to give us the chance to work out solutions to the Nation's problems within the term of four years which constitute my covenant of service with the electorate. Although I have the handicap of a Congress belonging to the other party, I have faith that at the end of my term our people's lives will be better and happier than when I

began. Of one thing you can be certain: in these four years, in fulfillment of my campaign pledge, you shall have a President who shall seek nothing for himself and his family. Disregarding my salary, Mrs. Macapagal and I will step down Malacañang not one peso richer than when we came to live temporarily in this Palace of the People. This means denying to our family the advantages open to the rest of our people; for while my endeavor shall be to open opportunities for material advancement and a better life to all our countrymen, my own family will not in any way participate in those opportunities in order to insure that my decisions and actions shall be completely without any selfish intent but shall be wholly for the public welfare. If at the end of my term, I shall have succeeded in helping our people, especially the common man, to have within their reach the blessings of an abundant life, then that shall be my highest reward for my incumbency of sacrifice. But if God should will that due to the fact that Congress is in control of the Nacionalista Party and other such factors, I shall fail, then I shall at least have the consolation of knowing that I shall, more than ever, be with our people because if their life has not advanced, I shall not have advanced with them.

You should, therefore, know that whenever our lives shall be in the four years of my term, you are assured of a President who will use all his endowments from Divine Providence not for his personal advantage but for the attainment of a better life for our beloved people.

* The U.S. Congress finally changed its stand and approved this controversial measure. President Kennedy signed it into law on August 30, 1962. 276

* Congress approved only five of the Administration's ten major bills. See page 166.

Source: **Presidential Museum and Library**

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Radio-TV Address of President Macapagal in the program, "President Macapagal Speaks to the Masses" **Radio-TV Address**
of

His Excellency Diosdado Macapagal
President of the Philippines
In the program, "President Macapagal Speaks to the Masses"

[Delivered on May 23, 1962]

**ON THE SPECIAL SESSION, CABINET REVAMP AND
DIOKNO CASE**

I DEEM IT MY DUTY to report to you whenever important events take place in our Government and in our country. Two such events are worthy of your knowledge, considering their circumstances and significance. These are the termination of the first regular session of the Congress under our Administration and the revamp of the cabinet which we effected immediately after the session.

When the session started, both Houses of Congress were under the control of the Nacionalista Party, which was and is being dominated particularly by the Lopez sugar bloc headed by Senator Fernando Lopez who sought to complete his hold over Congress by becoming President of the Senate since his men already were in control of the House of Representatives under Speaker Daniel Romualdez. It was before this Congress that I submitted an integrated five-year socioeconomic development program designed to create conditions that would bring about a better and prosperous living for our people and a dignified life for the common man. For the success of the program, I submitted to Congress a number of measures, at least eleven of which were essential to achieve the Administration's objective of moral regeneration and economic progress.

It was immediately noticed during the session that under the control of the Lopez bloc of the Nacionalista Party, the two Houses of Congress were not acting on any of the measures which I sent to Congress. It was then that I exposed to the public the danger and harm to the Nation of the two Houses of Congress being dominated and controlled by special vested interests like the Lopez bloc. After my denunciation of the Lopez bloc, a group of Nacionalistas, placing the welfare of the country above partisan interest, formed a coalition with the Liberal in an aggrupation called the Allied Majority and elected Congressman Cornelio Villareal, a Liberal, as Speaker in order to break the deadlock between the Nacionalista Congress and the Liberal Executive and give my Administration a chance to apply our solutions to the grave problems of our people. In the Senate, however, the Lopez group has remained in control.

It was only after a Liberal became Speaker of the House of Representatives that that body started to act on the Administration's measures needed for the people's welfare. In record time, the House approved all the ten measures which I asked them to approve, namely, (1) the National Budget (2) the Public Works Bill (3) the Rice and Corn Administration (4) Emergency Employment Administration (5) Multi-Storey Housing for the Poor (6) Calamity Bill (7) amendment of the Basic Industries Law (8) Foreign Investments Bill (9) calling a Constitutional Convention and (10) adoption of the Socio-Economic Program. I also asked for the approval of three additional measures, namely, (1) the full decontrol measure (2) increasing the capitalization of the Development Bank of the Philippines and (3) the Moral Commission. The last two were also approved by the House but altho the Allied Majority in the House was in favor, the full decontrol measure was not approved for lack of time.

Of the first ten vital Administration measures, the Nacionalista-controlled Senate did not approve five and did not likewise approve the three additional measures. The Senate approved five bills of the thirteen but so amended them as to tie up the hands of the Administration, rendering difficult their successful implementation.

After consultation with the economic experts of the Administration, I regret to state that the laws enacted by the Congress were inadequate for an effective prosecution of the Administration's program. In addition to the five Administration bills approved by the House, it is necessary to pass the other five, as well as the three additional measures.

It is necessary to pass the public works bill because it contains vital projects which for the first time have been prepared to support the socio-economic program.

It is necessary to pass the amendments to the Basic Industries Law, otherwise the Government will lose some P100 million annually in revenues.

It is necessary to pass the foreign investments bill to create a favorable climate for the attraction of foreign capital which is an essential requirement of the economic program.

It is necessary to call a constitutional convention to bring about needed political, judicial and administrative reforms.

It is necessary to create the Moral Commission to coordinate and boost effectively the various measures and actions needed for moral regeneration.

It is necessary to adopt the five-year socio-economic program to dispel uncertainty and generate a favorable climate for investments.

It is necessary to increase the capitalization of the DBP to provide sufficient medium and long-term credit to investors for productive enterprises.

Above all, it is necessary to enact the full decontrol measure because this is essential to the success of the decontrol and economic programs. Without this measure, the 20% dollar retention now being made by the Central Bank of export receipts cannot be removed. Unless and until the 20% dollar retention is removed, the country cannot have a stable dollar rate. Unless and until a stable dollar rate is fixed, uncertainty and speculation will continue, resulting in the bogging down and even failure of the economic program.

In a nutshell, the sad situation that faces the Administration and the people is that due to inordinate partisanship, and particularly due to the obstructionist stronghold of the Lopez bloc, the Congress did not fulfill its duty to the people of enacting the Administration measures which are needed for the success of our program for the public welfare. We are faced with two alternatives: (1) to call Congress to a special session or (2) to proceed as best as we can with the use of presidential prerogatives until the next regular session of Congress when this body shall face a second test of fidelity to the people's welfare. If we call a special session without a change in the attitude of the Senate, the likelihood is that that body will again use up the time in aimless display of partisan strength, and cost the people over P1 million. On the other hand, if we do not call a special session and do our best to use the executive prerogatives until the next session, there may be a delay in the timetable of our program of service for the people. Still, what is good for the people is better delayed than not done at all.

Our decision, therefore, is that unless there is assurance that the unacted Administration measures will be passed in a special session because of a change in the leadership complexion in the Senate or other warranty, we shall not call a special session of Congress but shall proceed with our burden, altho made heavier by the default of Congress, of doggedly applying with the tools available the solutions to our people's crying problems which are embodied in the Administration's socio-economic blueprint.

CABINET REVAMP

Now I will speak of the revamp of the cabinet and other important posts which I made immediately after the adjournment of the regular session of Congress.

It should be stated first that one of my difficult tasks as President has been the choice of men for vital positions. The difficulty arose from the clear need of putting at the helm not only men of competence but also of integrity; the contamination of many of those already in the service with the old unwholesome ways; the usual tendency of many officials to think of themselves and not of the people; and the understandable desire of politicians to place their men in jobs, irrespective of other considerations. The essence of this difficulty of choosing the right men was the

necessity of having assistance who could individually and collectively be helpful in implementing the Administration's program for the moral and socioeconomic well-being of our people.

In an effort to obtain the best men, and to promote a nonpartisan approach to the Nation's problem I began by crossing party lines in the selection of my cabinet members. I chose three Nacionalistas, namely, Secretaries Jose Diokno of Justice, Manuel Lim of Commerce and Industry and Marciano Bautista of Public Works and Communications. I had hoped that by doing this, coupled with my insistent plea for bipartisanship in approaching the Nation's grave problems, the Nacionalista leaders who controlled Congress would lay aside partisanship for a while so that we could work together to bring about a better livelihood for the people. Gradually, it became apparent that it was difficult for the Nacionalistas to cast aside partisanship and hence, it became difficult to implement the Administration's program with men who might not have full interest in its success. Still, I clung to the hope that bipartisanship could be made to work to forge national unity for the good of the people. I waited until the end of the congressional session to see to the last whether there was basis for my hope.

Thus, before the close of the session, I invited the Nacionalista leaders to sit with me, on their own terms, in a bipartisan Council of Leaders but they snubbed me. Then I appealed that if they could not sit with me in this Council, they should pass the ten measures which I asked as a minimum requirement for the Administration's program for the people, pledging that if they did this, there would come about "a fresh atmosphere of national unity in which partisanship shall be reduced to a minimum" and that "the Nacionalista leaders can look forward to a reciprocal attitude of cooperation from the Administration." I stayed awake the whole night on the last day of the congressional session, praying that Congress would heed my plea. Then without warning, Nacionalista Party President Eulogio Rodriguez, presiding over the Senate session, adjourned the session, without approving the ten urgent Administration bills. As if deliberately flaunting partisanship, the Nacionalistas, in their final session, approved only the Nacionalista member of my cabinet, Secretary Diokno, and disapproved all the Liberal members of my cabinet despite the tradition that a President should have virtual freedom in choosing the members of his official family.

In the face of these developments, the conclusion was inevitable; the cause of bipartisanship had failed. There was only one thing left to do, which was that for the Liberal Party to now assume full responsibility for the Administration. Unpleasant as the task was, I had consequently no other recourse but to finally change the two remaining Nacionalista members in my cabinet, Diokno and Lim. Bautista had earlier retired.

This is the background behind the replacement of Secretary Diokno with Secretary Juan Liwag and Secretary Lim with Secretary Rufino Hechanova. The change was part of a cabinet revamp. Together with Diokno and Lim, two other cabinet members who belong to the Liberal Party were replaced, namely Secretary Paulino Cases of Public Works and Communications and Economic Coordination Administrator Cesar Climaco who were replaced respectively by Secretaries Brigido Valencia of Davao and Manuel Cuenco of Cebu.

The changing of Secretaries Diokno and Lim was in consonance with our constrained decision to accept party responsibility for the Administration in accordance with the usual practice in a party system of government such as ours. All administrations of all Presidents before me had cabinet members none of whom pertained to the opposition party. The practice has become so imbedded in our democratic practice that under the past Administration, altho I was elected Vice-President by the people, President Garcia did not appoint me to the cabinet because I belonged to the opposition party.

THE DIOKNO CASE

Now a word about the particular case of Secretary Diokno. It is acknowledged by all that the President may change any member of his cabinet any time. While my right to change Secretary Diokno is thus conceded, in the same breath it is alleged that there was something amiss in the "timing" of the change. In this connection, I would like to say that the timing was decided by Secretary Diokno himself. In my letter to him on May 19, 1962, I merely informed him of my decision to heed his desire to go back to private practice but I did not tell him that it was to be done immediately. I had expected, as is the normal course in such matters, that he would confer with me so that we could take up the details, such as the date when the change would be made, the handling of important pending

matters and other transfer arrangements. This appeared to be Secretary Diokno's original attitude as shown in the wired report of Secretary Mutuc to me in Legazpi City which said: "Letter delivered early this morning . . . Diokno said it is okay with him. He desires tho to see you at earliest opportunity." To my surprise, I later received a wire from Secretary Diokno stating: "Please be informed I immediately turned over office to Undersecretary Liwag." In the same wire he said he was "happy to have had opportunity to contribute to the cause of good government." Having been apprised by him that he already turned over the department to Secretary Liwag before we could meet personally, I announced the replacement of Secretary Diokno with Secretary Liwag, together with other cabinet changes and the other appointments which were all made as part of a major revamp of the Administration which I have been doing every day for several days now and which I will continue to do for some days more.

May it be pointed out, too, that Secretary Diokno not only did not wait for a conference between us before relinquishing the department, but on the same day, he published my letter to him without my consent and went on television making an issue of the matter. Upon my arrival in Manila the following day, I sent Secretary Liwag to inform Secretary Diokno that in accordance with his wish to see me I was ready to meet with him but he has desisted from seeing me to this hour.

From all these, it can be seen that the timing of Secretary Diokno's leaving the department was decided by himself. This is in contrast with the case of Secretary Lim who, upon being apprised by my representative that I wanted to appoint a new Secretary of Commerce and Industry, conferred with me, wherein we agreed on the date when Secretary Lim would relinquish his post and on an arrangement regarding the disposal of pending matters. As a result, Secretary Lim is still in the service. It being recognized that the President has the right to change any cabinet member any time and which right I exercised in the manner narrated, it is unjust that I should be criticized for the timing of the relinquishment of the justice department by Secretary Diokno. I will be lacking in candor if I do not say that in the light of the full confidence and authority that I gave to Secretary Diokno and the opportunity that I gave him to serve the cause of good government which he has acknowledged, it was outside my expectation that Secretary Diokno should snub me, publish my letter without my sanction and cast or abet aspersions against the Administration, which acts he never did before.

I find no need to say more on the Diokno case except to state that the changing of Diokno has absolutely no connection with, nor even an effect on, the deportation case against three American businessmen. NBI Director Jose Lukban, who has gathered the evidence against the respondents, will stay in office and will continue with his role in the case with the continued full support of his superiors. As new undersecretary of justice, Judge Magno Gatmaitan, an official of incorruptible integrity, will continue the trial in the deportation board. In turn, Secretary of Justice Liwag will carry on the role of Secretary Diokno in the case with the same energy, the same dedication and—I am convinced of this—with at least the same competence.

The most important thing being overlooked about the deportation case is that after all is said and done, it is not the Secretary of Justice whose actuation is decisive in the deportation case but the Deportation Board and finally the President of the Philippines. Whoever is in charge of the prosecution, the Deportation Board will recommend to the President what action to take. In the final analysis, it is I who will decide whether to deport or not to deport a foreigner. Aware of this ultimate authority and responsibility that pertains to me, I solemnly declare before our people that it is immaterial to me who handles the prosecution, whether Diokno, Liwag or anybody else for when the time comes for me to render my decision, I shall do so with complete fidelity to the welfare of the country and to the cause of justice.

I shall end by saying that it is not easy to be a successful President of a young and developing country like ours. The national problems are complex. Their complexity is aggravated by the fact that many politicians think only of their political or personal interests and not of the welfare of the people; many officials think only of what they can get from their position and not of what they can give to the people; and some citizens want to persist in the ways of wrongdoing.

Recognizing the difficulties of being President, aggravated in my case by a Congress dominated by the opposition party, I am more determined than ever to succeed in helping our people by solving their problems in a way as to promote their prosperity and welfare. But I need the people's sympathy, confidence and help. I ask our people not to be misled by politicians and others who talk as if they could do better if they were in my place. I am fortunate to

have two attributes that should reassure our countrymen and because of which I hope that they will allow me, without undue fault-finding and heckling, to proceed with the grave task of leading in the search for the prosperity and happiness of our people.

These two attributes are: first, that as President, I have absolutely no material and personal interest; my only interest is to consecrate my whole self and exhaust all my faculties in the service of our country and the solution of its pressing problems. Secondly, as stated by Jesus Meritt, in his book "Our President", referring to my humble self: "He is the best academically prepared president the Philippines ever had, being the holder of the degrees of doctor of civil law and doctor of economics." With these and my resolve to succeed in helping our people and while welcoming helpful and non-arrogant criticism, I ask for the confidence, trust and sustenance of our countrymen in my actuations so that in the four years of my term we shall, by conscientious grappling with the Nation's problems, together tread the path towards a better and happier life for all our people.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal at the U.S. Memorial Day ceremonies

**Address
of
His Excellency Diosdado Macapagal
President of the Philippines
At the U.S. Memorial Day ceremonies**

[Delivered on May 30, 1962]

FIRMNESS FOR FREEDOM

ON THIS DAY of remembrance, it is but fitting that as we survey the row upon row of white crosses lined neatly before us, we contemplate their meaning and think of the men whose bodies are beneath them and whose lives and deaths have enriched our soil and our lives.

Words cannot convey what is in our hearts for these brave men. But we can comfort them and pay tribute to their memory far more eloquently than mortal speech by assuring that the liberties for which they sacrificed the hopes and aspirations, the bright dreams and the unfulfilled future of their youth, shall forever endure. We can make sure that the alliance of free men remains united and unimpaired in the face of a common foe.

These crosses are the stark and glorious reminders of the blood of Filipinos and Americans shed and commingled in our soil, the ultimate symbol of friendship and unity.

These crosses are the symbol and proof and the result of the historic and unique relationship between the Philippines and the United States.

This relationship had the most inauspicious of beginnings. It began with war—a war in which we were allies against the common enemy of European colonialism, but which developed into a war in which we became enemies, when Filipinos and Americans struck and killed each other in fierce combat.

But when American rule was established in these islands, peace began to reign. Unlike the experience of other colonized Asian countries, there were no bloody revolts or violent demonstrations against the United States. Agitation for independence was done in the dignified and peaceful confines of the Philippine and American legislatures.

When the Japanese invaded these islands, the Filipinos fought with all their strength side by side with the Americans. The proof of their common sacrifice we see before us today.

No other Asian country has fought so bitterly against a foreign invader even while still the colony of another country. Even when the Americans abandoned the fight in this country, the Filipinos carried on the fight in the hills and in the towns and in the barrios, hunted in the jungles, tortured in the dungeons, our homes burned, our villages pillaged, our towns plundered, our women taken—all as a result of loyalty to a country that was still a part of the United States.

When the forces of the United States returned to the Philippines, we welcomed them with open hearts and open homes. Again, no other Asian country has welcomed the forces of its colonizers with the same enthusiasm with which the Filipinos hailed the return of MacArthur and the American G.I.

When after liberation, the American flag was finally lowered, and the Philippine flag was raised in sovereign solitude, it was an occasion for joy. It had not been preceded, as in other former colonies, by violence or rancor or bitterness.

Even when the United States had relinquished its sovereignty over this country and the Philippines had taken its place among the independent nations of the earth, Filipinos continued to extend a welcome hand to the Americans.

Numerous American bases on Philippine soil have continued to tie the Philippines to the American security system in the Pacific. In the economic field, the Bell Trade Act of 1946 continued to tie the Philippine economy to that of the United States. Moreover, the Filipino people approved a “parity” amendment to the Philippine Constitution which gave Americans the same rights as Filipinos in the development of our natural resources and public utilities. This is more than any other sovereign Nation has ever conceded to another.

Although there were many among our countrymen who regarded these concessions as a diminution of Philippine sovereignty, the Filipino people acceded to them as a sign of a special regard for America and of trust in the American people.

This special regard was earned by the good will and the generosity of the American people. But it is also a sign of the Philippines’ enduring friendship for America, and —more— it is an expression of the Philippines’ loyalty not so much to America as a nation, as to the cause of freedom for which the United States specially stands.

Our friendship with America as the recognized leader of the Free World is based on our love for freedom itself, and should serve as a reminder that the Philippines, because of its long heritage of freedom, is a veritable pillar of strength for freedom and democracy in this area.

This country never had to import the love of freedom from any other country.

Long before the Spaniards came, our forefathers lived in small independent settlements called *barangays*, free from foreign domination, trading freely with other countries, paying tribute to no one, making their own decisions. When the Spaniards came, they met with fierce resistance from men like Lapu Lapu and Soliman, who loved freedom with the ferocity with which they fought for it.

This tradition of freedom was carried on in sporadic rebellions against Spain, which culminated in the Propaganda Movement and the Philippine Revolution of 1896. Rizal and Lopez Jaena, Bonifacio and Mabini, the Del Pilars and the Lunas were inspired not only by the French and the American revolutions and by the ideas of the Liberals of Europe, but even more by the sense of freedom that formed part of their native heritage.

The Malolos Constitution, which was the fruit of the declaration of independence of June 12, 1898, proves that the Filipinos were even then by no means strangers to the workings of constitutional democracy. I dare say that the statesmen who gathered in convention in the church of Barasoain were able to capture the spirit of freedom in their Constitution as fully as the framers of the 1934 Constitution.

But if our love of freedom is native born, it was America, during her occupation, that gave it the constitutional substance that it enjoys today.

This is the substance of freedom which does not permit us today to be ever uncommitted, to be equivocal or to sit on the fence of neutralism.

If any Nation has consistently refused to flirt with neutralism, or has resisted the economic and political blandishments of the Red camp, or has always stood squarely and unequivocally on the side of the Free World, that Nation is the Republic of the Philippines. We have voiced our abhorrence of communism as an imperialist menace, a voracious ideology and a totalitarian way of life on every forum of the world. We have demonstrated time and again our confidence in our Free World partnerships and in our staunchest ally, the United States. Looking right into the cannon’s mouth, with the monstrous might of Communist China only a short stretch of water away, we have stood uncompromising guard over the boundaries of freedom, committed our soldiers to battle, sent our sons and daughters to labor and give succor in the hinterlands of Laos and South Vietnam now seriously threatened by communist advance.

This is not a people who will ask for doles. This is a Nation that will deal with another only in honor, that will gratefully acknowledge assistance extended in respect out of common effort for a noble cause but will disdain handouts.

Past events have demonstrated the unalterable fact that Filipino-American friendship is forged by bonds of sentiment and mutual affection which irresponsible talks will not destroy. Consecrated by a common shedding of blood on countless battlefields, this alliance of two peoples should not and cannot be destroyed even by indifference and disdain by some of their officials for the feelings of tested friends.

This constitutional substance of freedom which is a legacy from America tells us that the answer to atheistic expansion is firmness, determination, support to those who are committed to freedom—more of these, and less of dependence on the word of those who by their actions have so often discredited their word, and less of political experiment at the sacrifice of friends.

This is our position before America and the world. This is the least we can say if we are to do justice to the sacrifice of those who by their action have so often discredited their Filipino comrades-in-arms, because they and their nations refuse to be uncommitted in the fight for honor, for peace, and for the dignity of man.

May I end with a prayer before these hallowed tombs that, as they did in the past, Filipinos and Americans will walk shoulder to shoulder towards the fulfillment of their national destinies.

Source: **Presidential Museum and Library**

**Address of President Macapagal at the Government Service Insurance System (GSIS) Anniversary
Celebration Address
of
His Excellency Diosdado Macapagal
President of the Philippines
At the GSIS Anniversary Celebration**

[Delivered on May 31, 1962]

FINANCIAL SUPPORT FOR THE ECONOMIC PROGRAM

LET ME GIVE YOU a glimpse of the five-year socio-economic program of the Administration. The socio-economic program aims at immediately alleviating the plight of the common man which is the second major goal under the program. There is urgency and impelling importance in this objective because living standards in the Philippines today are far from adequate. Per capita consumption of superior foods is well below healthy nutritional requirements. The distribution of welfare is far from satisfactory. There is grinding and miserable poverty in the midst of luxurious plenty. Very few regions and communities enjoy affluence compared to the existence of widespread, if not extreme want, in many areas.

Our responsibility in this regard is a clear and demanding one. Our task is to institute improvements in the over-all level of economic welfare and its distribution. It is the primordial duty of the Government to provide the wherewithals of a better life for the common man. Economic growth in our country, to have any meaning at all, must be reflected in terms of actual and perceived improvement in the lives of our people. Failure to recognize this fact will be a potential source of dissatisfaction and discontent.

We can accomplish this objective if we can keep production apace, if not ahead, of population growth; if we can successfully extend special assistance to unprogressive regions in the country that have lagged behind in development to enable them to participate and share more fully in the fruits of national progress; and if we can provide adequate and growing sources of livelihood for our people. It is in the pursuit of this objective that I took occasion to stress in my inaugural address the need of creating “conditions that will provide more income for those whose earnings are inadequate for their elemental needs.”

We are fortunate that our country is blessed with bountiful natural resources—resources, if properly harnessed, utilized and exploited, will not only make it possible for us to sustain our fast-growing population but also provide our people with decent means of livelihood. But these natural resources would be of no avail unless properly developed and economically and intelligently exploited and unless we guard against the possibility that the results we desire to attain do not get lost over the vast desert of need that now exists. The importance of formulating a plan of action defining how these objectives are to be achieved is at once apparent.

It is for this very reason that the Administration’s five-year integrated socio-economic program was prepared and adopted. I consider this program to be the answer to the challenge of the times. It outlines the targets and the means for a total national effort to improve the economic welfare of the Nation, distribute the burden and benefits of economic development equitably and lay the solid foundations of an economy that would provide economic growth and stability consistent with the needs and requirements of our fast-growing population. This objective finds its ready counterpart in the growth in recent years of international consciousness to fight the twin scourges of poverty and want in the world at large. There is the growing realization that the world owes to its citizens freedom from want, that prosperity like peace is indivisible, and that only by deliberate cooperation and assistance of the richer nations can other less fortunate ones succeed in guaranteeing to their citizens a decent level of living.

The over-all program I have just mentioned is designed to achieve the following goals:

1. A six per cent average annual rate of increase in the gross domestic product of the Philippines, through the expansion of the agricultural and industrial sectors.

2. To create job opportunities for a Philippine labor force growing at the rate of about 300,000 annually. Our goal is 11.6 million jobs by 1967.
3. To accelerate development of economically-depressed regions within the Philippines, in order to equitably distribute income on a regional basis.

These goals are feasible on the basis that:

1. An amount equal to about 16 per cent of the annual Philippines' gross domestic product is channeled into gross domestic investments during the next five years.
2. Gross domestic savings in the Philippines reach 13 per cent of gross domestic product by next year and 16 per cent by the fifth year. Now, domestic savings are about 12 per cent of gross domestic product.
3. Since domestic savings will not be adequate for all our needs, although capital accumulation will depend mostly on the domestic effort, the Philippines needs an inflow of new foreign capital of about \$175 million average yearly over the next five years.

In order to mobilize these resources and facilities to meet the requirements of the program, our monetary and financial institutions must undergo some reforms in policy and structure to suit the task. These reorganization will involve three principal objectives, namely:

1. To prevent bottlenecks from developing in production and capital formation which may arise particularly from an inadequacy of financial resources or from the inaccessibility of these resources to worthy economic projects.
2. To develop new institutions, instruments and procedures to provide inducements for increased savings out of current income and for the channeling of these savings to economic projects of this priority.
3. To provide channels to facilitate the entry of foreign capital under conditions which will give adequate security of principal and attractive incomes to such capital.

Over the five years from fiscal years 1963 to 1967, a total of P11,500 million must be mobilized in the form of domestic savings out of total gross national income of P78,200 million. The principal intermediaries for the mobilization of such savings will be:

1. Investment banks and other institutions involved in channeling personal savings into equity investments.
2. Insurance companies that channel premium collections into corporate stock purchases and long-term loans for plant building and home construction.
3. Savings banks and other mortgage loan institutions.
4. The Government Service Insurance System, the Social Security System and the Development Bank of the Philippines.
5. Commercial banks, rural banks, and other short-term loan institutions that finance inventory.

The priorities of the financial program with respect to these institutions will be:

1. To provide reasonable government assistance to these institutions in their efforts to introduce plans which encourage systematic savings from the public in general out of current incomes.

2. To enlist the full support of these institutions for the purpose of achieving common priorities in Loan and Investment Programs and to provide assistance and inducements in order to facilitate the channeling of investible funds into projects considered most important to this integrated Economic Development program.

3. All the powers at present available to induce savings out of current income shall be put to effective use under this program. The Central Bank of the Philippines will review the feasibility of raising the interest rates paid by commercial and savings banks on savings and time deposits, push with greater vigor the establishment of local community rural banks, cooperative banks and savings and loan associations and encourage these institutions to offer more attractive inducements for systematic savings plans.

Among the objectives of the program are the expansion of the facilities and resources of existing financial intermediaries, and to establish new ones designed to induce habits of thrift in and mobilize the savings of the rural communities.

The consolidated net additional resources of the major financial intermediaries are expected to grow annually during the five-year period so that these institutions will be in a position to mobilize a total of P3,667 million in domestic savings during the period, or an average of P733 million per year.

Running parallel to the campaign for increasing the current rate of domestic savings is the reorganization of financial organizations in order to insure the optimum use of savings for productive investments. In line with this plan, we have initiated the move to budget more rigorously the investible funds placed in the control of government financial institutions. To this end, two steps are now in process; included among these step is to coordinate the lending functions of the Social Security System and GSIS with the Development Bank of the Philippines.

I appreciate your cooperation with the Administration in channeling 50% of the investible funds of the GSIS to the Development Bank of the Philippines as a concrete example of the kind of positive action necessary to carry out our socio-economic program. This turnover of funds will be of benefit to all, not excluding members of the GSIS. Although for the moment it would mean less profit to the System because of a smaller rate of interest on these channeled funds, this sacrifice on your part will in the foreseeable future be offset by the good that it will bring to our people.

I expect much from the GSIS and from other government corporations during my Administration. I expect a corporation like the GSIS to flourish in the ideal climate for economic growth which we seek to foster. I expect it to find new ways of expanding the economy by stimulating the development of private business and industry. I expect it to be a strong, positive force, dynamic, vital, responsive to the challenge of commerce and competition, and at the same time sympathetic to the needs of our country and people. Most of all, I expect it to serve as a model of business organization, dedicated to public service, motivated by patriotism, managed with integrity, ability and industry.

I trust that your corporation shall help to bring to fruition the aims and aspirations of the New Era for a better life for all our people.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Radio-TV Address of President Macapagal in the Program, "President Macapagal Speaks to the Masses"

**Radio-TV Address
of
His Excellency Diosdado Macapagal
President of the Philippines
In the Program, "President Macapagal Speaks to the Masses"**

[Released on June 11, 1962]

ON INDEPENDENCE DAY, APPOINTMENTS AND PRICES

TOMORROW, June 12, we shall celebrate Independence Day. This is the first time that we shall commemorate our freedom on the day it was declared by our patriots and not on the day the former mother country celebrates her own independence, far overshadowing whatever celebration we may attempt on the same day. As I have more to say on this matter in my Independence Address tomorrow, I will now limit myself to stating that commemorating independence on our own day of freedom is more inspiring to the youth and to the Nation since it inevitably recalls to the memory the many acts of patriotism that brought about the declaration of our independence on June 12. I accordingly urge all our countrymen as good Filipinos to participate in this historic celebration.

Tonight, in line with my periodic reports to you on important questions affecting the Nation, I will dwell on the subject of appointments to key positions and the prices of commodities.

APPOINTMENTS

It will be recalled that because of the narrow partisanship of the Nacionalista leaders in Congress, I was constrained to make my cabinet an all-Liberal one in order that the Administration shall assume full responsibility for the conduct of the people's affairs in accordance with the party system of government. This does not mean, however, that there has been a change in the Administration's attitude of less partisan politics and more national effort in the field of economics.

In a democracy, particularly in a republican system such as ours, we cannot completely do away with politics. Democracy and republicanism cannot exist without politics, for the simple reason that in a republican government, the people do not rule directly but indirectly through elected representatives who compose the politicians. What should be done away with are selfish politics, corrupt politicians and evil political practices. Politics can only be minimized, which is what the Administration is set to do. Concretely, this means that the Administration will continue to give priority and primacy to economic development. The Administration will indulge in political activity only insofar as it is necessary to overcome partisan obstructionism to its socio-economic program and enable the program to succeed for the welfare of the people.

It will be noted that in the government revamp, among the appointments made were undersecretaries and a few bureau directors chosen from the outside and not from the career men in the service. This action was predicated on the consideration that at this time, we need in certain offices vital to the Administration's program not merely technical men but leaders. Examples of this are the bureaus of customs, internal revenue, agricultural extension and forestry. These are fields in which the Administration has special projects as part of the five-year socio-economic program. To successfully carry out these projects, technical experts are not enough. Leaders are needed.

We have, therefore, drawn on technically qualified men who have also shown leadership in dealing with people. This has become necessary because career officials now in the service are not acquainted and imbued with the spirit of the new regime and have been exposed for eight years to a type of orientation which has not proved satisfactory to the national welfare. The outsiders who have been appointed are trouble-shooters of the Administration charged with carrying out specific jobs and objectives. When the accomplishment of these jobs and objectives is well under way in accordance with the new orientation, these appointees will be withdrawn from their positions in order that the

career personnel will once again avail of the opportunities due them under a new atmosphere of integrity, dedication and action.

Regarding appointments to the judiciary, seniority has been followed by promoting the deserving ones who are already in the service. The appointments of Justice Querube Makalintal to the Supreme Court and Justices Antonio Lucero and Antonio Canizares to the Court of Appeals are cases in point. It must be considered, however, that much is still to be desired of the judiciary below the Supreme Court. One of the reasons for our advocacy of a constitutional convention was that through amendments to the Constitution, judicial reforms could be effected to establish a career judiciary, thus placing our courts beyond the control of politicians. Unfortunately, Congress did not approve the resolution calling for a constitutional convention. Under these circumstances, until the proper judicial reforms are made, it would not be conducive to a strong and independent judiciary to limit the presidential appointing power to those who are already in the service.

In some instances, appointments of outsiders who are eminently qualified accordingly have been made. The appointments of Justice Roberto Regala to the Supreme Court and Justice Jose Bengzon as Presiding Justice of the Court of Appeals fall under this concept. Until a career judiciary is established under the protection of constitutional sanction, the important consideration in cases where outsiders are appointed to the bench is the merit and fitness of the appointees for the posts to which they are named.

In the appointment of officials to key positions in the government, the vital factor to consider is that a task has to be done. It is not a question of giving an official a post of honor or a means of livelihood. He has a role to discharge in the over-all endeavor of giving good government and a good life to our people.

I am in a position to know that there is extreme difficulty in getting the right men to accomplish the tasks that must be done in order for the Administration to succeed. The Administration needs not only men of ability and dedication but also of *integrity*. It is not everywhere that these men are available.

It has become therefore unavoidable, and even a duty, to appoint those whose qualities we have personal knowledge of. It is not a disqualification to have been defeated as an opposition candidate for public office; what is important are the qualities of the appointee which are not necessarily incompatible with previous political defeat. We have also in some cases utilized the services of men who hail from our province because we know personally their integrity, competence and dedication. In fact, we had to appeal to them to join the public service because of the need for the right men to discharge the difficult tasks. The relevant point to consider is that we have put these men in the service not for making money but in order to help give the country a good government. Let us assess appointees on their performance and not on prejudiced and premature judgment.

PRICES

Now let me speak on the prices of goods. The rise in the prices of goods was already a serious problem under the past Administration. Had the past regime continued in office, the prices would have continued to rise without hope of an effective remedy because it was the result of a mismanaged controlled economic system which slowed down economic growth, compounded by the prevalence of corruption in the government.

In the election campaign, our slogan was to stop the rising prices. The Administration is determined to do this. Towards this end, we immediately launched a five-year integrated socioeconomic program based on free enterprise in order to spur a faster rate of economic growth and greater production of goods. To avail of the powerful impetus of private initiative and fair competition in the production of more goods, we removed foreign exchange controls.

I have had occasion to outline what is expected to develop from the launching of decontrol and the market economy both on short-run and long-run basis. In the short-run, the people may expect the following: the price of the dollar shall rise and fall; the prices of imported commodities will move upward altho the price of rice and corn will remain constant these being locally produced commodities; and producers, especially exporters, will increase their income.

After a reasonable period during which the aforesaid short-run effects would be experienced, the over-all beneficial effects of decontrol and free enterprise will set in. These effects are: the price of the dollar will be established at a level that will promote production; exports will exceed imports; investments, both domestic and foreign, will multiply; more goods will be produced; there will be more jobs and income; prices will level off and become steady; and because the people will have more than additional income to meet the cost of their needs, they will begin to enjoy a better life compared to previous years.

We are confident that as soon as the vigor of the economy, sparked by the freedom under private enterprise, reacts to produce more goods than in the past, the rise of prices will stop and prices will stabilize within the reach of the people to pay. This will occur as both producers and consumers acclimate to the new situation and producers turn out commodities, particularly import substitutes, in increased quantities.

This awaited favorable turn in the economy will not, however, come overnight. In the transition and temporary period before its occurrence, upward movement of prices may be expected. This is the period in which the country is situated today. The present behavior of prices should not, therefore, be ground for concern. The difference between the past and the present may be stated to be that whereas rising prices in the past had no hope of remedy, now there is hope that the rise of prices will stop because a sound solution is in operation. Only today, the President of the Free Enterprise Society of the Philippines has published their view that "notwithstanding the rise in prices, people should be grateful that President Macapagal boldly decontrolled the economy early in his Administration, otherwise by now the price picture as a result of cumulative mistakes of twelve years of controls would have been in chaos."

I must draw attention to an important fact: the Administration has adopted and is applying a permanent solution, not merely palliatives, to the problem of rising prices, which is as it should be for the people's welfare. Being an enduring solution, it is harder to execute and will require a period of difficulties which include continued high prices for a time. Stated simply, this solution consists of the production of more goods and the increase of income. This is calculated to be brought about by the determined, successful and timely implementation of the Administration's five-year socio-economic program.

It may seem paradoxical but in truth, the temporary period of continued high prices is itself a part of the lasting solution in view of the fact that altho the transitional rise in prices is a load on the consuming public, up to a certain limit it is a benefit because it is a stimulus to final prosperity, being an effective incentive to exporters and producers to increase the production of commodities and the creation of jobs that increase income.

But while the Administration is confidently banking on long-range and lasting solution to the problem of high prices, it is vigilantly applying immediately effective remedies to temper the rise of prices. Among the measures being taken are a vigorous rice and corn program, prudent fiscal spending, credit restraints, easing tariffs on prime consumer items, relaxation of special time deposits on essential imports and the price stabilization operations of the NAMARCO. In addition to these measures, the Administration is ready to apply a program of temporary subsidies on highly essential commodities. Our people can rest assured that prices will not be allowed to rise to undue heights because the Administration is ever alert, in case of necessity, to step in and throw the full weight of its resources and authority to foil any exorbitant rise of prices.

Because of this vigilance, the behavior of prices has been better than we anticipated. I draw attention to the fact that prices have already manifested a levelling off tendency since April. The following is the latest of the periodic assessment on the progress of the decontrol program being made by the Central Bank, dated June 6, 1962, to which I concur:

"Retail prices of commodities in Manila rose by 2.4 per cent between December 1961 and April 1962, compared to the 2.9 per cent increase during the second half of 1961. The increase during the first four months of 1962 was mainly due to the upward movement of prices of imported commodities which rose to 6.3 per cent, as prices of domestic items went up by 1.0 per cent altho among domestic items food prices registered a decline of 2.3 per cent. General consumer prices in Manila thus rose by one per cent, *much less than what was anticipated and also much below what has been experienced in other countries undergoing similar monetary reforms.*

“Prices appeared to have levelled off during April 1962. Wholesale and retail prices of home-consumed food displayed downward movements. It is to be noted that the food group accounts for about 45 per cent of the budget of households in Manila and 57 per cent of those in the regions outside Manila. Domestic component of retail prices decreased by 0.4 per cent while the imported component remained steady at 140.7 per cent (1955=100). On the whole, the retail price index registered a 0.2 per cent decline between March and April.”

Not only has the movement of prices given basis for optimism but also the effects of decontrol implementation during the first quarter of 1962 have been favorable and salutary, particularly in a favorable balance of payments, rise in the dollar reserves and increased rate of growth. Again, I reproduce pertinent portions of the Central Bank report:

“During the first four months of 1962 under our full decontrol program our country enjoyed a balance of payments surplus position of \$23.31 million, as compared to an unfavorable balance of \$27.51 million covering the same period in 1961.

“After a slow start in January, foreign exchange receipts increased appreciably during the last three months to an aggregate volume larger than the same periods of the preceding three years—\$263 million compared to \$199 million in 1961, \$226 million in 1960, and \$209 million in 1959.

“From \$96.6 million in January 9, 1962, the international reserve of the country rose to \$142 million as of June 1, 1962.

“Data on production and export shipments for the first quarter of 1962 showed significant increases on the corresponding 1961 data. Increases in export shipments of coconut products between the first quarters of 1961 and 1962 ranged from 62 per cent (copra) to 126 per cent (coconut oil), and averaged 50 per cent in terms of prices over the earlier year. First quarter production of important base metals also expanded from 21 per cent (copper) to 46 per cent (iron), or by an average 30 per cent over the same 1961 output. Production of logs during the first quarter was similarly ahead of the 1961 output by 16 per cent. Over-all production indices (1955=100) during the first quarter of 1962 for agriculture and mining showed increases of about 3 and 18 per cent, respectively, over their levels in 1961.”

In view of this favorable trend of the decontrol program, there is no reason for worry. There is even less reason for careless criticism which, instead of helping, impedes the solution by unduly shaking the public confidence so essential during the initial and crucial period of the program. What we should do is to brace ourselves to hurdle the temporary difficulty and to cooperate in order to shorten the period of transition. Indeed, the early coming of the turning point in the economy will depend on ourselves, on our willingness to do our part to hasten its arrival.

Specifically, economic recovery will come when the Central Bank is able to establish a stable dollar rate and support such a rate. The Central Bank will be able to do this as soon as it can do away with the present 20% retention of the export dollar receipts. This is the purpose of the full decontrol bill which I certified as urgent during the last days of the past session of Congress. Unfortunately, Congressman Lorenzo Teves, one of the leaders of the Lopez sugar bloc in the House of Representatives, put up a determined opposition to the measure, causing its non-passage.

I can understand why Congressman Teves and the group of special interests who stand to benefit from his opposition obstructed the passage of this bill. This group does not want to give up any part of the benefits that they have derived from the institution of decontrol. I am appealing to them to forego a part of those benefits for the good of the country. Their cooperation means so much to the people. By withholding their cooperation, they prolong the period of transition and the rising of prices.

It is a rare opportunity for a citizen to render real service to the country. That opportunity has come for this group behind Congressman Teves to render real service to the Nation by helping and enabling the country to arrive as quickly as possible at the point when the rise in the prices of goods may be stopped. Moreover, it is also to their interest that the dollar rate is stabilized for when as a result of this event the conditions for profitable investment will come about, greater opportunities for prosperity will be available to them as an important sector of the economy.

Let us then proceed with our socio-economic program in the spirit that while we are aware of the difficulties that lie ahead we shall be ready to face them, confident of the final and timely success of our endeavor to provide our people with effective opportunities for a better life. I especially ask you, retailers, to act as good citizens by not unduly raising your prices. In exchange, the Administration will provide you with helpful credit facilities and other aids to your business.

Not only is our approach to our economic difficulties sound and universally acclaimed as headed in the right direction but it should be remembered that our economy is so inherently strong that there is absolutely no reason for disappointment or misgiving. The economy has the capacity and vigor to provide a good life to our population. With dedication and persistence in our effort, things will be better sooner than we expect so that the gates of the better life that we dream about shall be flung open to our people.

There is one thing that I have noticed. The grumbling about current conditions comes mostly from the privileged ones who used to enjoy special benefits in the past and who must now miss those benefits, while the masses of the people, who really undergo the hardships, have kept their confidence and their hope for better times to come. I could see this stoic confidence and hope of the masses in my weekly trips to their midst.

In fact, this is what gives me courage and grit—this inspiring faith of the common people whose better future we are striving for. I vow before God Almighty that as long as there is breath in me, we shall never fail the cause of the masses. This is the reason I take pride in the established integrity of the Administration. I take pride not for myself but for the common people to whom I shall always belong. By acting with integrity in the highest post within the gift of the Nation, I have shown the virtue of the common masses. We have demonstrated that the sense of honesty among the common people is so strong that altho they have known hunger and have not lived in wealth, even if given the opportunity, they will not become dishonest in order to become rich. I say again that except for my salary, I will not enrich myself by one centavo out of being President. I shall adhere to the creed of integrity and honesty both for the good of our country and for the honor of the common people whose noblest dreams are my inspiration in carrying the heavy cross of the Presidency of this Republic.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**NATIONAL GOVERNMENT PORTAL – EDITED AT THE OFFICE OF THE PRESIDENT OF THE
PHILIPPINES UNDER COMMONWEALTH ACT NO. 638**

Speech of President Macapagal at a Gala Dinner tendered in His Honor by Generalissimo Franco

**Speech
of
His Excellency Diosdado Macapagal
President of the Philippines
At a gala dinner tendered in his Honor by Generalissimo Franco**

[Delivered at the Palacio de Oriente, Madrid, June 30, 1962]

HISPANO-FILIPINO TIES

I AM sincerely and deeply grateful for the generous words that Your Excellency has addressed to my person, words that I gather for my nation, the farthest of the lands of the Hispanic world, the last nation born of this great Spain but not, on that account, the least loving. On the contrary, in this world crisis that humanity is suffering, the Philippines sides with Spain in the forefront of the common fight against communism, determined, without doubting or wavering, without compromises of any kind.

As Spain was, under Your Excellency's leadership, the first country in Europe and in the whole world to fight the battle against this evil of our time that is communism and vanquishing it in a fair field, so the Philippines was the first country in Asia that recognized the danger to liberty and human dignity of this scheme of lies, cheating, assaults and tyrannies known as the communist conspiracy eventually expelling it from the legally recognized political parties and dominating the revolt of the so-called Huks. This is one of the numerous bonds that unite our two peoples. Both of them have sampled the bitter fruit of Marxism and, having purged themselves of its poison, are now immunized against its contagion in the future.

What we can do as free and sovereign peoples within the framework of this same liberty and sovereignty is to help ourselves mutually to face the problems so analogous in our two countries, comparing notes, sharing the result of our experiences, and trying out solutions. We in the Philippines have seen, with admiring wonder, how, after the devastation of the Civil War, the plunder of the gold from the coffers of the Bank of Spain, the unfortunate diplomatic boycott, the exclusion from the Marshall Plan when there was greatest need of foreign help to raise the broken economy in the most cruel of wars, Spain has risen by its own efforts from the ruin and ashes of a war imposed by sinister international plots.

All this was achieved because Spain had the good fortune to find a self-denying leader who knew how to forge national unity by overcoming class and party struggles, holding down politics before the economic development of the nation, reclaiming vast areas of impoverished lands, planning and realizing great industrial complexes, turning the courses of rivers, reclaiming swamps, hollowing out mountains, parcelling together excessively small landholdings, engaging in reforestation, stabilizing its currency, *redressing* the balance of payments, raising almost from zero to P1 billion the foreign exchange reserves, in a word, bringing about the Spanish "miracle."

Faced with the same problems as yourselves and in similar conditions, we wanted to verify personally the conditions and the results of the Spanish experience and we know that you will not begrudge us your collaboration so that we may be able to take full advantage of the fruits of the Spanish experience.

I am grateful and I accept, in the name of the Filipino people, the praise heaped upon the Philippines. I know that my country will receive with joy the generous words of the Caudillo and that they will be appreciated for what they really are: words of affection, words of encouragement of a loving mother to the child that wanted to carve out its own destiny and now occupies a place in the concert of free nations.

Unique in history is the case of the Philippines—a country that breaks the political bonds uniting it to the old mother country but retaining, in all its pristine vigor, the love that has united them. It so happens that the modern world regards with wonder something that foreigners find strange but which to Spaniards and Filipinos, is natural and ordinary: the rare spectacle of two peoples and nations—Spain and the Philippines—so far apart geographically but so closely bound heart and soul, by the same ideas and sentiments, religion and culture that it seems that, in truth, they form but one people, one nation, one yearning and one single aspiration.

What the Philippines is to Spain I have just seen with my own eyes. What Spain is to the Philippines a Filipino poet, well known in these lands as poet and declaimer, said more than thirty years ago: *“En el curso del tiempo, desenvuelto, tu, España, volveras. Que amor no ha vuelto? Presa en la red del propio bien perdido, seras un ave en forma de añoranza que va a volar, cuando la noche avanza, en direccion al solitario nido.”*

It is not in vain that the word “poet” originally meant prophet. I assure you that the forecast of the late Manuel Bernabe was fulfilled long ago. Spain has come back and remains in the Philippines. Upon my word as a gentleman, I swear that, in these moments, Spain has a hidden altar in the heart of every Filipino.

Spanish and Filipino gentlemen, brethren: I raise my glass and invite you to drink to the health of the Caudillo of Spain for the greater glory of this blessed land and for the everlasting brotherhood of Spaniards and Filipinos.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**NATIONAL GOVERNMENT PORTAL – EDITED AT THE OFFICE OF THE PRESIDENT OF THE
PHILIPPINES UNDER COMMONWEALTH ACT NO. 638**

Speech of President Macapagal at the “Centro di Azione Latina”

**Speech
of
His Excellency Diosdado Macapagal
President of the Philippines
At the “Centro di Azione Latina”**

[Delivered in Rome, July 7, 1962]

BROTHERHOOD OF THE SPIRIT

I ADDRESS myself to you as brothers, because ours is a brotherhood of the spirit, the strongest of relationships. We are separated from each other by vast continents and limitless oceans, but Latinity is a concept which springs from the soul and unites us as if we are brothers living under the same roof. And the truth is that, although we belong to different races, like Romulus and Remus, we have been suckled at a breast of a common Latinity.

This occasion has a special significance for me and for the people I represent. The host at this reception is the “Centro Di Azione Latina,” and this edifice is the Casa de la America Latina. The Philippines, as you know, is the furthest outpost of Latin civilization; indeed, it is the only outpost of Latin civilization in the whole, vast and populous continent of Asia.

“As a former colony of Spain, named in fact, after one of the great Spanish kings, Philip II, the Philippines has sometimes been described as a Latin American country which happens to be located in Asia. This is why I feel quite at home in this Casa de la America Latina.

The soul of the Filipino is like a roof with three windows. The first looks out on the world of Asia; the second, on the world of Latinity; and the third, on the Anglo-Saxon world. Through the first window flow all the innate and inalterable influences of race and geography that make us Asians by birth and origin. Through the third window have come the latter day influences that make for the physical comfort and material wellbeing of man.

It is the presence of the second window, the window that opens on the vast, beautiful, and eternal world of Latin civilization, which makes the Philippines and the Filipino people rather unique. For in my country, inhabited by an Asian people whose racial and cultural roots go deep into the subsoil of the Oriental spirit, have met in marvelous confluence the two major streams of western civilization, the Latin and the Anglo-Saxon. And of these two, it is the Latin that has left a deep and imperishable imprint on the Filipino soul, particularly in the vitally important realms of social customs, law, and religion.

The Philippines may thus be considered as a foreshadowing of what all mankind may in the end become: united by the achievements of the human genius and by their common enjoyment thereof, inheritor of the best that mankind has thought and accomplished, regardless of race or geography, since the beginning of time. It is in this spirit and with this vision that I greet you in the name of the Filipino people.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**Speech of President Macapagal at a diplomatic reception tendered in his Honor by the Chiefs of Asian
Diplomatic Missions Speech
of
His Excellency Diosdado Macapagal
President of the Philippines
At a diplomatic reception tendered in his honor by the Chiefs of Asian Diplomatic Missions**

[Delivered in Rome, July 9, 1962]

OUR TWO MAJOR TASKS

MAY I thank you, first of all, for honoring my wife and me with this splendid dinner.

On various occasions since my arrival in Rome, I have referred to the fact that the Philippines, by a rare coincidence of history, has met the two main streams of Western civilization—the Latin and the Anglo Saxon. What makes this confluence of civilization unusual is that it occurred, not in Europe or in America where these cultural streams have often met, mingled or collided, but in a distant land of Asia, the Philippines.

The uniqueness of our historical experience, however, arises from the fact that the Filipino people have been able to conserve the basic Oriental cast of their personality despite prolonged exposure to the powerful cultural influences of the West. The accretions, additions and embellishments from without have not altered the innate qualities of heart and soul nor the fundamental mould of temperament and character that make the Filipinos an indubitably Asian nation.

We refer to our history without invidious pride. Nations, like individuals, are what they are by reason of events in the distant past which they have no power to change. But if I refer to our experience it is because I believe that we are approaching a point in history when the continued survival and progress of the numerous millions of Asia may depend on judicious acceptance of the best disciplines and highest values which the West has to offer. In order to survive and prosper we must learn to engraft quickly on the ancient tree of Asian civilization the fresh young branches of western science, knowledge and technology.

Today, when nearly all of our peoples in Asia have achieved their liberation from Western domination, two tasks impose themselves upon us. One is to make our national independence meaningful in terms of a better life for our peoples. Another is to address ourselves to the task of achieving a just and fruitful reconciliation with the West. We must meet in a friendly spirit every effort that the Western powers are prepared to exert in order to erase the past record of injuries and humiliations, and to build their relations with us on new foundations of dignity equal rights and mutual respect.

I believe that, regardless of the differences that may exist among our Asian countries on the political, economic or cultural plane, we can in the future best ensure the improvement of the life of our peoples, as well as their security and survival, first, by rediscovering new sources of strength within our own nations in cooperation with each other and then by trying to evolve new and mutually beneficial modes of cooperation with the West.

In the spirit of this common purpose, may I invite you to join me in a toast to the continued health and success of their Excellencies, the heads of state of China, India, Indonesia, Pakistan, Japan, Thailand, Nepal, Korea, Viet-Nam and Ceylon.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Speech of President Macapagal at the University of Punjab

**Speech
of
His Excellency Diosdado Macapagal
President of the Philippines
At the University of Punjab**

[Delivered in Lahore, Pakistan, July 14, 1962]

OUR COMMON HERITAGE

I WOULD like to think that you are conferring this honorary degree not so much for any personal merits of my own, but as a token of esteem and affection for the people I represent.

I am a Christian, and the majority of my people are Christians. But we have a large minority of Muslims whom we cherish as our fellow citizens—the proud heirs of a spiritual tradition which was ours even before Christianity came to our shores.

It is through this link that our two countries have had a common heritage in the distant past, many centuries ago. One of the great centers of civilization in the world can be found in Pakistan—in the valley of the river Indus, cradle of early civilization in central Asia. The far-flung movement of this civilization through the centuries has had a distinct bearing eastward through India and Malacca on to the archipelago of 8,000 islands known as the Philippines.

The history of my country, immediately before the arrival of the Europeans, is intimately linked with the spread of Islam in southeast Asia. But even before that, hardy Muslim sailors and traders must have sailed towards the rising sun and past the golden Chersonesus to the regions bordering the south China Sea. As early as eighty years after the birth of Christ, an Egyptian Greek mariner had written a book, called “Periplus of the Erythraean Sea,” which describes this vast coastal region east of Pakistan. Quite recently, historical researchers have found actual connections between your country and its vicinity to the regions beyond Malacca which ancient mariners called the Golden Chersonesus because of the reported presence of alluvial gold in its shores.

The spread of Islam beyond Malacca took place before the fifteenth century, and undoubtedly doomed to extinction the ancient Madjapahit empire of the Indonesians. The newcomers rapidly occupied the principal ports of what is now the Indonesian archipelago, including the Moluccas and Borneo.

The Muslims first came to the Philippines in 1380, according to local *tarsilas* or chroniclers. That year, Mukdum, an Arab scholar who had been successful in proselytizing the Malaccans, landed on the island of Sulu, one of the southernmost islands of the Philippines. Ten years later, in 1390, a Sumatran prince named Rajah Baginda conquered Sulu, mainly because he used a new weapon of warfare—the *Ian-taka*, a small hand cannon or over-sized shotgun, employing gunpowder. His son-in-law, a Muslim leader of Palembang, Sumatra, became the first Sultan of Jolo when he founded the Abu Bakr dynasty upon the death of Rajah Baginda.

In 1475, Sharif Kabungsuwan of Johore in Malacca led an army of Samal soldiers from nearby Sulu to Cotabato, a province on the largest southern island of the Philippines. There he converted the native inhabitants to Islam and established the first sultanate of Magindanao with his marriage to a native princess. Nevertheless, Sultan Kabungsuwan and subsequent rulers of Magindanao remained vassals to the kings of the Moluccas. This accounts for the large waves of migration to our archipelago from the Moluccas and Borneo during that era. The Sultan of Borneo had acquired sovereignty over Palawan, a large island to the southwest, and much mingling took place between natives of the two regions.

By the time the Spaniards reached Manila about a century later, in 1571, the culture and religion of Islam had spread practically to all the main islands of the archipelago. Muslims from the southern islands married natives of the new place, whom they converted to their faith and their ways.

The Islamic influence on the early Filipinos has been wide and diversified. Politically, the loose system of government based on the *barangay* was tightened to conform with the implantation of the sultanate institution; and regional chieftains began to call themselves *rajahs* as in Manila. From the religious point of view, the new beliefs and tenets had little chance to develop in the northern part of the archipelago. This was partly due to the arrival of the Spaniards who brought Christianity with them, and partly due to the polytheistic beliefs held by the early Filipinos who resisted the abrupt changes brought about by the Muslims.

But in the arts, crafts and industry, the newcomers had a more lasting influence. The Muslim Malays brought with them knowledge of mining and metal-working. Gold, copper and iron mines were developed, and local artisans learned to manufacture personal ornaments, necklaces, anklets, bracelets and trays. Foundries were started to turn out well-built cannons and other firearms. The Arabic alphabet and method of writing were popularized. Textile weaving was encouraged. Ship-building, and other crafts requiring manual skill, were developed to a high degree.

In brief, one may very well say that the Muslim influence has immeasurably enriched Filipino culture and civilization. The teeming metropolis that is Manila, with its inhabitants now totalling more than two million, was once an important Muslim center of about 4,000 residents when the first Spaniards set foot there nearly four centuries ago. But before Manila became a Christian city, it was a Muslim stronghold.

We Filipinos are therefore the heirs of two great traditions: that of Christianity and that of Islam.

There are those who claim that these two traditions are incompatible: that they have always been at war and will always be at war. We Filipinos, both Christians and Muslims, are determined to prove that this claim is a narrow view and a false view. We mean to prove—and we are proving—that Christianity and Islam can co-exist in peace and democratic unity; that a difference of religious faith need not prevent a deep and indissoluble unity of national purpose.

There was a time, during the more than four centuries of colonial tutelage under Spain and the United States of America, when the Westerners emphasized that we Filipinos could never live together as one people and one nation because of the presence of a sizeable Muslim population in our midst. But this claim was advanced more to perpetuate themselves in the position of overlords, than on the basis of actuality.

“Divide and rule”—this has been the policy of imperialist nations throughout Asian history. They have pitted one tribe, one race, one nation against another, fomenting rivalries and differences, in order to maintain themselves in power.

But we Filipinos have learned the lessons from history. Today, under our present government, Christian and Muslim Filipinos live together in peace and contentment. We have learned that different religious faiths must live together in tolerance. There must be fairness and equality of opportunity for all, regardless of racial origin or religious belief. In the halls of our Congress, there have always been Muslim representatives. Today, the Speaker Pro-tempore of the House of Representatives is a Muslim. I am the first President of the Philippines to appoint a Muslim as member of my Cabinet. All these things have happened in a country whose population is only less than 10 per cent Muslim.

In a plural society like ours, it is absolutely necessary to observe fair treatment, equality before the law, and equitable political representation of all elements to insure contentment and national unity. I repeat, differences of religious faith need not prevent a deep and indissoluble unity of national purpose. Indeed, this very difference of faith should, in men of good will, enrich and further that purpose.

We are not any the poorer because some of us are Christians, some Muslims. On the contrary, we are by that very fact enriched. We are enriched in our art, our literature, our philosophy. But above all, we are enriched in our

capacity for making friends. For when we stretch our hands out to you in friendship, it is not to a complete stranger that we do so.

Rather do we see in you—in your great nation and its culture—something that is after all our own, something that is, after all, ourselves.

It is in this spirit that I have accepted the kind invitation of your great and beloved President, His Excellency Mohammad Ayub Khan, to visit Pakistan, and to accept an honorary degree from Punjab University. Just as Pakistan is the first State in Asia that I am visiting since assuming the Presidency of my country at the beginning of this year, so also this degree of Doctor of Laws, *honoris causa*, is the first honorary one I have accepted from a foreign university. These are two significant “firsts” during my tenure as President, and I must note with pride and satisfaction that both of them are indicative of the great value I attach to Pakistan, to its great leader, and to its famous university.

My presence here is, first of all, proof of the strong feeling of respect and admiration I have for President Ayub Khan. I look upon him not only as a great leader of your nation but as an outstanding statesman of Asia whose reputation for courage, intelligence, integrity and dedication has gone far beyond the frontiers of Pakistan.

I consider it a distinct honor to receive this academic award from Punjab University. It is a distinct honor even for one who, like myself, has been awarded two doctor’s degrees from actual studies done in law and economics in my own country’s University of Santo Tomas. For the city of Lahore has long been famous since ancient times as one of the outstanding seats of learning in Asia, and Punjab University stands high among its peers in the world of academic excellence.

May I conclude with a salute to the student youth of Pakistan. In you as loyal sons of Pakistan and proud children of Asia lies the hope, not alone of your country but of this vast continent which is our home, for redress against past injustice, for redemption from ignorance, poverty and disease, for a new life blest with peace, freedom and equal opportunity. May you prove yourselves equal to this universal hope. May you prove yourselves worthy of this sacred trust.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**NATIONAL GOVERNMENT PORTAL – EDITED AT THE OFFICE OF THE PRESIDENT OF THE
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Speech of President Macapagal at the National Assembly of Pakistan

**Speech
of
His Excellency Diosdado Macapagal
President of the Philippines
At the National Assembly of Pakistan**

[Delivered at Rawalpindi, July 15, 1962]

TOWARDS ASIAN UNITY

IT IS BOTH an honor and a pleasure to appear before this National Assembly of Pakistan. It is an honor for anyone to speak before the representatives of the people, and I appreciate it all the more because I happen to be the first foreign head of state to be accorded this privilege. It is a pleasure because prior to my elevation to the Presidency of my country, I was a member of our legislative body for two terms of four years each. Although we have a Senate, I did not pass through the Senate; I rose directly to the Presidency from the House of Representatives. I, therefore, feel at home in your Legislative Assembly, and more than that, I feel a certain personal attachment to it. Indeed I would say that so far as I am concerned, next to being President, the best public position is to be a member of the Legislative Assembly.

I was elected President of the Philippines in our last election, by direct vote of the people, although I was an opposition candidate and assumed the office for a term of four years last January. This is my first foreign trip since becoming Chief Executive, and since I could spare enough time to visit only one Asian country, I chose Pakistan as the Asian country to visit.

Having stayed in Pakistan for five days and being due to leave tomorrow, I came to know more intimately your President who has gained renown outside Pakistan as a great military leader who became even greater as a statesman. I hope that I am not committing a breach of tact but I would indeed be lacking in candor if I did not state, after knowing Ayub Khan more closely, that Pakistan is fortunate to have, at this time of its history, a leader imbued with tested patriotism, statesmanship, vision and ability in statecraft of the highest order which are tremendous assets in bringing about the prosperity, security and happiness of the Pakistani people and in winning a distinguished place for them in the family of nations.

It must be a national gift of Pakistan to produce great leaders during crucial periods of its history. I say this because your Nation produced one of the immortals of mankind in the quest for the liberty and building of nations. I refer to Quaid-i-Azam Mohammad Ali Jinnah, the Father of Pakistan. It became my singular opportunity the other day to be the first foreign head of state to lay a wreath in homage to him beneath the future dome of the mausoleum that is being erected in his memory in Karachi. It is remarkable that both the Father of Our Independence, Manuel L. Quezon, and yours, Quaid-i-Azam, suffered and died from a similar ailment in which the health of the body is sacrificed to the vigor with which the spirit pursues its ideal. Among countless events in the absorbing life story of Quaid-i-Azam, I recall at this moment the time when, after becoming aware that he was gravely ill and feeling that he had completed his task of achieving the independence of Pakistan, he told his doctor, "It does not matter whether I live or die." Here are words of selflessness which are profoundly inspiring, embodying as they do the great precept that what counts in this life is accomplishment of a noble mission so that in the execution of that mission, even life itself is nothing any more. This expresses a sublimity of spirit that stands as an earnest admonition not only to subsequent leaders of Pakistan but to leaders of other nations including my own, so sublime indeed that all those who would venerate the memory of Quaid-i-Azam, whether Pakistanis, Filipinos, or leaders and citizens of other

lands, can do him honor worthy of his greatness only by living and acting in accordance with his creed that service to country must be above every selfish purpose, above life itself.

On the face of it, it would appear that Pakistan and the Philippines are worlds apart, with such divergent features that they appear to have little in common. But in spite of differences between our countries and peoples— if we go deep enough into the essence of our lives, if we set both our countries in the context of the vital problems that our people are facing—we find that conditions of life in Pakistan and in the Philippines are so singularly similar. For they are nothing but conditions facing two nations, both former colonies, that have been thrust onto the stage of independent existence in a rapidly-changing world. Our similarities are far more important than our differences, and because even our differences underline our natural fundamental affinities, it is a challenge to both our countries and their leaders to harden these affinities so that we can move together, first, to advance our goals of raising the level of living of our people, secondly, to promote our security, and thirdly, to help in the shaping of a better Asia and consequently of a better world.

My stay in Pakistan has enabled me to realize also the potentialities of Pakistan-Philippines friendship and cooperation in their mutual interest. Competition between friendly nations is axiomatic. But in the case of our countries it raises more than routine possibilities for the advancement of our national interest and the good of the world. The Philippines has generally good relations with other nations in Asia and the rest of the Free World but considering that both Pakistan and the Philippines belong to the United Nations, the SEATO, the Colombo Plan, the Bandung Conference and the Asian-African group, that our two countries have quickly concluded a trade treaty and cultural agreement, which we do not yet have with other countries including the United States, and that no political differences exist and have existed between our two nations, I state only the truth in asserting that Pakistan-Philippine relations are among the best in world.

I have stated as the first objective of Pakistan-Philippine amity the attainment of higher levels of living for the masses of our people. Our efforts in this direction are so far gratifying.

I need not elaborate on our respective efforts in this field because they generally follow the same lines. We are engaged in a mighty and almost frantic effort to become self-sufficient in our basic needs, even to produce the little comforts and luxuries of life that our people have begun to crave. Within our limited means, our governments are striving to extend to the masses of our people the blessings of modern education, medicine, adequate housing, decent employment and social welfare. Our nations are exerting great efforts to negotiate the big leap to moderate industrialization and, to increase our productivity and wealth, we aim to make sure that wealth is as equitably distributed among the population as is possible in a free society. Our Governments have also embarked on a program of agrarian reform through which we try to redistribute the vital commodity, which is land, in more equitable proportions.

These national objectives are embodied both in the second Five-Year Plan which the Government of Pakistan is now implementing and in the Five-Year Socio-economic Program which my Administration is now pursuing. Both these programs have strikingly similar targets and goals.

What is important, however, is that with the exceptionally friendly relations between our two countries, we should endeavor to find ways and means compatible with our own interests to help each other in our development efforts. We have an existing trade agreement; what remains is to make more effective use of it. You produce good jute products; we need these and could buy more from you. We produce plenty of sugar; you could buy more of this from us. What is needed is active exploration of possibilities for mutually beneficent dealings. For instance, I inspected your security printing plant in Karachi and found it to be an excellent and efficient one. We have no security printing plant, and our currency and other security documents are printed in England. Now, in the spirit of our exceeding amity, and until we acquire our own, I see no reason why we should not have our currency and other security documents printed in your plant here in Pakistan instead of in the United Kingdom.

I have cited as the second objective of Pakistan-Philippine amity the maintenance of essential safeguards to our security. This involves consideration of the United Nations and of the Southeast Asia Treaty Organization (SEATO) of which both our countries are members.

As the record will show, Pakistan and the Philippines are both strong supporters of the United Nations. Philippine support for the world body is so abiding that in 1950, although our national finances were in a precarious state we sent a military force to support the UN police action in Korea. Before I left Manila on this trip, despite the fact that I needed every dollar to support the currency reforms that my Administration has instituted, I directed that we purchase \$750,000 worth of UN bonds in order to enable that organization to continue its operations. We support the United Nations because, in spite of difficulties that it has encountered, it is our conviction that for small nations, it remains the ultimate best hope for peace and security. There is one principal essential for the stability and success of the United Nations which must be observed by all peace-loving states, whether big or small. And this is that the United Nations must be fully utilized for peaceful settlement of disputes arising among its members. To this end, decisions and recommendations of its principal organs must be respected and faithfully implemented. This is a principle which Pakistan and the Philippines jointly support not only as logical foundations for their national interests but to promote the establishment of a system of law, justice and morality among the nations of the world.

In SEATO, Pakistan and the Philippines are two of the three Asian members, together with Thailand. We in the Philippines believe in the necessity, utility and efficacy of regional security systems, like the SEATO, NATO, CENTO, and Rio Pact. Until such time as the United Nations becomes strong enough to maintain international peace and security, regional organizations which are organized with the sanction of the world organization are essential interim agencies for the protection of nations against aggression. Like the United Nations, these regional arrangements may at times seem ineffective, but like the UN itself, they have served to provide valuable safeguards to the safety of the member states of the Free World as a whole.

As regards SEATO, it is my view that it had helped to stabilize peace and security in the Asian Pacific Area before the current crisis developed in Laos and Viet-Nam. Though we may both be fully satisfied with the effectiveness of SEATO in dealing with the Laotian crisis, this does not cancel the deterrent record of SEATO during the previous five years. I submit that SEATO retains its potentialities for providing protection to its members for the maintenance of international peace and security.

At the present moment, there are United States troops in Thailand, both countries being members of SEATO. While it is not certain whether the presence of these American troops in Thailand has the sanction of the SEATO machinery, the fact remains that the two SEATO members have acted together in the same manner as to serve the objectives of the Manila Pact. While the details will have to be worked out, I submit the general proposition that SEATO has been of value in the past, that its infirmities are not valid ground to despair of its performance, and that it is a challenge to the resourcefulness and statesmanship of the leaders of the member states to find and agree on means to make SEATO a more effective agency than in the past for safeguarding the safety of Pakistan, the Philippines and other countries whose security and stability are essential to the progress and prosperity of their peoples.

Finally, I believe that Pakistan-Philippine amity can be a vital force in the shaping of a better Asia.

Asian countries emerged from the long night of colonialism completely isolated from one another and seeing each other, as it were, for the first time. Economically, the agricultural economies of Asian countries had been closely dovetailed with the industrialized economies of the metropolis. Culturally, the elite of Asia felt a closer kinship with the ruling power than with one another. They were more familiar with western philosophers than they were with the thinkers of other Asian countries.

Now, emerging almost at the same time into the world of sovereign states, our nations of Asia have need to be united. We are faced with problems common to underdeveloped nations of trying to telescope the process of industrialization within a few years, the problem of reconciling our ancient traditions and habits with modern technology, the problem of winning the race with a fast-expanding population, the problem of achieving a rapid economic progress while, at the same time, preserving civil liberties, the problem of readjusting the great masses of our peoples from the old, comfortable familial and tribal relationships to the strange, new world of corporations and industry, the problem of international economic competition. These are problems of such magnitude that nothing short of a concerted effort will bring solution. We are faced by the same danger. Over all of Asia hovers the threat of an ideology which the largest nation in Asia and Soviet Union are endeavoring to impose upon the world. United in its problems, Asia must find unity in their solution. Western Europe has dramatized the value of the unity in the

spectacular success of the European Economic Community, the Common Market, which the United Kingdom is on the verge of joining, towards which Spain, Portugal and Scandinavian countries are looking with interest, with which the United States may make common cause. Similar groupings in various degrees of unity have been started in South America, in Central America, among former French West African colonies, in Southeast Africa. There are movements towards Pan-African unity and union. In Asia some such kind of unity is called for if we are not to be left behind. Indeed, some regional groupings have been started.

Asian nations, together with new African states, adopted common principles and took a common stand on various issues in the historic conference in Bandung in 1955, a conference of which Pakistan was a co-sponsor and the Philippines a participant. The Asian-African group in the United Nations, now numbering nearly 50 members, has become a potent force in the deliberations of that body. A step toward an Asian union is a loose group known as the Association of Southeast Asia, composed of Thailand, Malaya and the Philippines. The significant feature of ASA is that it is composed exclusively of Asian nations.

Asia must be united if it is to safeguard its interests and have its influence felt in the world. The world has need of Asia, not so much for material things but rather for our spiritual values and ancient heritage. God has made peoples and regions different in order that each may contribute its share to the enrichment of the world. In the movement towards Asian unity, Pakistan and the Philippines can extend a united and vigorous hand towards a better Asia that can help realize the ideal of One World, not a world of unity and peace imposed by armed legions but rather a world united in love, in friendship, in freedom, in dignity, and in true and lasting peace, that constitute the spiritual grandeur of Asia.

In building a better Asia, indeed we promote a better world founded upon enduring principles of which one of the most essential is the principle of democracy. That is why it is important that at this time you are implementing a return of the constitutional system based on the will and liberties of people.

In this great task, not only has your President and leader enabled democracy to strike deeper roots in the soil of Pakistan, but he has also purged it of the common scourge of a young democracy—graft and corruption. We in the Philippines are engaged in a similar task of eradicating venality and dishonesty in public service, and we know the magnitude and difficulty of the undertaking. The success you have achieved under President Ayub's leadership shall remain for us a constant source of encouragement.

We Filipinos who uphold democracy and love freedom cannot but be gratified that your new Constitution seeks to establish an improved democracy by blending, to an extent appropriate and suitable to your national needs, the presidential and parliamentary systems. While it is not for me to express an opinion on the various features of your system, I subscribe to one of its underlying elements to the effect that no democratic system in one country is perfectly applicable to another country. It is doubtful if it can be asserted faithfully that the system works perfectly in the United States and in the United Kingdom. Even in these highly-advanced democracies, the system is a living organism that modifies and adjusts itself to the varying challenges of new times. This is, therefore, one reason why the system should give due regard to conditions, level of enlightenment and idiosyncracies of younger nations that aspire to adopt the system as their own.

By your return to the constitutional system, Pakistan and the Philippines again agree on one more thing—that democracy is still the best way of life ever conceived by man. Indeed, freedom is the best ideology for mankind. It is the only system commensurate with the grandeur of man's intellect and the divine dignity of the human being. Because democracy needs the infinite possibilities of mankind, man in turn knows how to restrain his freedom and will to the extent necessary for the common good and the attainment of happiness. This system of freedom which we call democracy is not rigid. It is a system that adjusts itself to every people who love liberty, and adjustment which is addressed in a large measure to the patriotism, ingenuity and devotion to the high ideals of every nation's leaders. In stating that our two countries have staked their destinies on the democratic system, I wish to express on behalf of my people the fervent wish that in our respective lands, we shall succeed in operating the intricate system of democracy in such a manner as to be able to make use of its virtue and efficiency according to the needs of our peoples, for the attainment of our national goals and a life of peace, abundance and contentment for our citizens.

You have honored me by asking me to address you and by holding your session on a Sunday for the purpose. This honor is a jewel that you have added to the treasured memories which I have gathered during my unforgettable visit to your wonderful country. By your magnificent display of goodwill, in the far-off Philippines, beyond vast distances of land and sea, you have found in me, as the humble present-day leader of my people, a devoted friend and admirer of Pakistan.

Source: **Presidential Museum and Library**

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Radio-TV Address of President Macapagal in the program, "President Macapagal Speaks to the Masses"

**Radio-TV Address
of
His Excellency Diosdado Macapagal
President of the Philippines
In the program, "President Macapagal Speaks to the Masses"**

[Released on July 23, 1962]

THE FIRST SIX MONTHS

ON my arrival from an 18-day state visit to Spain, Pakistan, the Vatican and Italy, I mentioned the tremendous success of the visits and their far-reaching intangible benefits to the country. While I realize that enough mention has been made about the visits, I would like to mention that the Spanish government decided to assist in our socio-economic program in the amount of at least 10 million dollars. The Spanish Ambassador in the Philippines, the Philippine Secretary of Commerce and Industry and the Governor of the Central Bank are now working out the details.

In Rome, the President of Italy decided to send an economic mission to the Philippines to survey means of assisting in our socio-economic program. The Ambassadors of Indonesia and Ceylon, which together with the Philippines are the leading world copra producers, also agreed in principle with our Secretary of Commerce and Industry who was with me on the trip, subject to the approval of their governments, to take steps towards concerted action by the three countries to improve the price of copra which accrues to the producers in said countries. The Vice-President and the Secretary of Commerce and Industry are now pursuing this move which, if realized, would be a boon to the Philippines' top industry, which is copra.

In Pakistan, I looked into the methods successfully used by President Ayub Khan in combatting corruption, some of which can be valuable in our own crusade for moral regeneration.

I found President Ayub lukewarm to the SEATO due to despair over the inefficiency of the United States, the SEATO leader, and the United Nations in upholding Pakistan's right to Kashmir which Pakistan considers a matter of life and death for the country. After my conference with the Pakistan leader, who is intensely patriotic and receptive to matters that promote the present and future welfare of his country, it was my definite impression that President Ayub has become amenable to reexamining the utility of SEATO and to considering particularly the idea of incorporating the concept of bilateral action within the SEATO machinery, which would render the Manila Pact more useful to the security of the Asian area.

In leaving the subject of state visits, I reiterate my appreciation, as well as that of our people, to all those officials and individuals, in our country and abroad, who assisted in making the state visits a success.

It was in the course of the aforesaid trip that June 30, 1962 passed to mark the end of the first six months of our administration. We look back at the past six months with extreme satisfaction that so much was done in so little time amidst so much difficulty.

To recount sufficiently what has been accomplished by the administration in its first six months would take longer time than is available in this program. We will, therefore, summarize the same as follows:

1. Graft and corruption has been contained and minimized.
2. Decontrol has been successfully launched, effecting a fundamental shift from a system of economic controls which had been in operation for twelve years to the system of free enterprise.

3. A five-year socio-economic program has been officially adopted and auspiciously set into motion.
4. A new sense of national dignity and independence has been stimulated among the people without creating antagonism from our foreign friends.
5. A new and more respectable image of the Philippines has been projected in the world scene.
6. The attention and effort of the Nation have been focussed towards the implementation of essential reforms and the inculcation of a new spirit of dedicated service to the people.

I shall amplify at some other occasion the first and fourth to sixth accomplishments of the administration during its first six months. Due to time limitation, I shall only dwell tonight on the second and third achievements, namely the change of economic approach and the launching of a socioeconomic program, which are the most important and far-reaching to the standard of living of the masses of our people.

When we took over the administration, the economic situation was deteriorating and the prices were rising. Instead of meeting the needs of our fast-rising population, the rate of economic growth had precariously declined. Increase in the gross national product declined from 6.5% in 1959 to 5.4% in 1960 and national income from 6.1% in 1959 to 4.8% in 1960. In the words of the U. S. Commerce Department, when we took over in January, 1962, we faced “the most serious economic problems in the young Republic’s history.”

There was no question that under the system of controls which had been in effect during the last twelve years, the country could no longer grow at the required pace and our people would have to face the problem of ever-increasing prices and other hardships in the indefinite future without any visible hope of remedy. In the campaign, we therefore proposed to the people, as a permanent solution to the economic situation, that we would remove economic controls and return to free enterprise in order to set loose the innate capability and strength of the national economy which was being shackled by artificial restrictions and aggravated by rampant graft and corruption. In electing us, the people gave approval to our economic program.

Pursuant to our campaign pledge which the people had approved, within one month after we assumed office we launched a full decontrol plan on January 21, 1962 and a five-year socio-economic program based on free enterprise on January 22, 1962. The House of Representatives and the National Economic Council, in which the Senate is represented, subsequently approved our socio-economic program.

The launching of our program was universally hailed not only in our country but also abroad. The following were typical of the comments on the launching of our decontrol and socio-economic program:

“The Macapagal administration’s decision to lift exchange control and allow the peso to seek its true level was endorsed yesterday by spokesmen of leading trade chambers as a big step forward in the effort to restore economic stability.” (*Manila Daily Bulletin*, January 23, 1962).

“Alfredo Montelibano, banker-agriculturist, said that the decontrol program is the best thing that has happened here in the past decade.

“Alfonso Calalang, banker, said the bold measures taken by President Macapagal in lifting exchange controls is similar to the one made by Herr Erhardt in bringing about West German economic resurgence.” (*Sunday Times*, January 28, 1962.)

“The Philippine-American Chamber of Commerce Monday hailed removal by the Philippine government of import and currency controls.” (*Manila Chronicle*, January 24, 1962.)

“Rep. Vicente Peralta (NP, Sorsogon) told PPI that the administration’s decontrol program is ‘bold and forward looking,’ and in the long run ‘would be best for the country.’” (*Daily Mirror*, Jan. 27, 1962.)

“The bold decontrol program was a necessary forward step. The President should be congratulated for his courage in making such a decision.” (Teodoro F. Valencia, *Manila Times*, Jan. 27, 1962.)

“Franz Pick, who publishes ‘Pick’s Currency Report,’ called President Diosdado Macapagal’s sweeping economic order ‘the most constructive decision taken in the past 15 years’ in the Philippines.” (*Philippines Herald*, Jan. 26, 1962.)

“The *New York Times* said editorially Friday ‘the new President of the Philippines has made a bold move in abolishing exchange controls and lifting many other governmental restrictions on economic activity.’

“The United States, the International Monetary Fund and private American banks are backing Mr. Macapagal.” (*Manila Daily Bulletin*, Jan. 30, 1962.)

After six months of operation of the decontrol and socioeconomic program, what is the situation today? Do the results and developments show success or failure?

Dragoslav Avramovic of the World Bank, who was a member of the Economic Mission which surveyed the economic situation in 1961 and who is now on loan from the World Bank as economic adviser to the Philippine government has described the operation of our program so far as a “brilliant success.” Albert Mattera, the International Monetary Fund adviser at the Central Bank, declared on June 28, 1962 that due largely to determined economic leadership provided by the Administration, conditions have been created which now make the Philippines one of the best investment fields in the world.

Allow me to quote some recent assessments made by knowledgeable persons on the performance made in the implementation of the program:

“In a conference Monday with the technical staff of the joint legislative-executive tax commission headed by executive director A. Yoingco, Dragoslav Avramovic, World Bank executive who headed the bank’s economic survey mission to the Philippines last year, declared that the advantages of exchange decontrol far outweigh its disadvantages.

“If controls had been allowed to stay for one or two more years, the effect would have been disastrous for the country, the World Bank executive said.” (*Manila Daily Bulletin*, July 18, 1962.)

“Dwight Allen, VP and Philippine and Southeast Asia representative of Manufacturers Hanover and Trust Co: ‘The Philippines went through the transition from a controlled to a decontrolled economy much smoother than anticipated and he was extremely pleased with the results.’” (*Evening News*, July 20, 1962.)

“The decontrol program has been successful during its first six months of performance, in spite of present stresses and strains, Richard A. Meyjes, president of the Manila Chamber of Commerce, told the Pasay Rotary Club last Wednesday.” (*The Manila Times*, July 13, 1962.)

““The investment climate in the Philippines is better than at any time in the recent past,” U.S. Commerce department said in the current issue of its international commerce magazine.” (*Philippines Herald*, July 23, 1962.)

It is our conviction that our program has fared very well, thus justifying the devotion that we put into the endeavor, the sacrifice made by the people and the hope that with some more sacrifice and cooperation from those concerned the economy will soon be moving in restored health towards progress for the country and a better life for the people.

What are the evidences of the successful operation of the program? They are many and they are virtually conclusive. Among them are the following:

(1) The international dollar reserves have risen from \$96.6 million on January 19, 1962 to \$141.90 million at the end of June, 1962. This performance is a feat considering that in addition, the Central Bank had reduced its obligations at preferred rates from \$336.5 million to \$119.28 million.

(2) Revenues have increased, averting an impending huge budgetary deficit for the fiscal year 1961-1962. During the six months under controls from July 1 to December 30, 1961, the government operated with a deficit of P98,039,939. During the period of decontrol from January 1 to June 30, 1962, expenditures had amounted to P538,479,574 and revenues to P656,898,199, or a surplus of P118,418,625, thereby overcoming the deficit for the first six months and netting an overall surplus of P20 million for the fiscal year. It is noteworthy that while the government operated on a deficit during the last 6 months of the past administration, by raising revenues and by judicious management of our expenditures, we had during the first six months of my administration a surplus of P118,417,625.

(3) Exports have begun to exceed imports. “During the first four months of 1962 under our full decontrol program our country enjoyed a balance of payments surplus position of \$23.31 million, as compared to an unfavorable balance of \$27.51 million covering the same period in 1961.” (*Central Bank Report*, June 6, 1962.)

(4) There has been an increase in the rate of growth. “Overall production indices (1955-100) during the first quarter of 1962 for agriculture and mining showed increases of 3 and 18 per cent respectively over their levels in 1961.” (*Central Bank Report*, June 6, 1962.)

(5) The value of the peso is now stabilizing at P3.90 to the dollar. At the time of decontrol in January 1962, the black market value of the dollar was P4.50. It was expected by observers that the peso might shoot higher than P5 after decontrol. Instead, the peso initially fluctuated between P3.60 and P3.93, and in recent weeks has been stabilizing at P3.90, prompting the Central Bank to report on July 18, 1962, that “the stability of the exchange rate has been beyond earlier expectations.”

(6) The international value of the peso has become stronger. At the time of decontrol, the peso was worth in Hongkong \$1.21 Hongkong dollars. Now the peso is worth \$1.47 Hongkong dollars.

(7) There has been no flight of dollars as might have happened if decontrol was not a sound course. On the contrary, more dollars have come into the country than had been remitted after decontrol. During the period of controls, there was a deficit in invisible transactions, whereas, after four months of decontrol, invisible disbursements amounted to \$127.5 million as against receipts amounting to \$163.7 million, resulting in a net receipt surplus of \$36.2 million under decontrol.

Now it may be asked, if the decontrol and socio-economic program has been as successful as it is judged by the experts and by the administration, why have the prices of some commodities been on the increase? The answer is that such an increase was expected, that in fact the price situation is better than what was anticipated, and that the price reactions actually prove the validity and soundness of the program.

The administration anticipated the increase of the prices of imported commodities and of locally produced goods with large imported components under decontrol and knowing this we took positive steps to assure adequate supply of rice and corn to the people at low prices first through the Presidential Rice and Corn Committee and now through the Rice and Corn Administration. This was in accordance with the native psychology that as long as he has rice to eat, the Filipino can manage to get by and withstand temporary hardships.

In launching our program which seeks to offer a permanent solution to the problem of poverty of the masses, we were aware that altho the program would succeed, the people would pass through a transition period when the prices of imported commodities would rise, thus causing hardships to those who were accustomed to using such imported goods and who could not soon enough accustom themselves to using substitutes and locally produced goods. The prices of imported goods would rise because of the 25% increased tariff rates under the Laurel-Langley Trade agreement and because of the higher cost of importations with the increased peso value of the dollar.

The present problem of high prices of imported commodities is temporary pending the arrival of that stage during the progress of the socio-economic program when the increased quantity of goods and the increased income of the people will solve the problem of prices in a permanent and natural way. The objective in tackling the price problem is to minimize the hardships of the masses during such period of transition. In the meeting of the bipartisan Council of Leaders last July 19, I expounded on the administration's view that the five-year socio-economic program was faring well in the attainment of its objective of solving the fundamental problem of underproduction; but that during the transition period it was necessary to join hands in helping the people to minimize their difficulties from high prices of imported goods. As a result, the Council agreed to take steps to ease the prices of milk, canned fish, medicines and canned meat.

I wish to express the appreciation of our people, as well as my own, to the NP top leaders for extending their cooperation to the administration in meeting the transitional problem of the high prices of imported commodities.; This is a good development in our political practices for which our people have reason to be happy. With the two parties working together to meet this problem, there is no valid reason why the situation cannot become satisfactory.

With the leaders of the two parties cooperating, the people can look forward hopefully that the prices of selected prime commodities will be satisfactory. The supply of rice at a reasonable rate is assured. Even before the Council of Leaders' meetings, steps were taken which would insure an adequate supply of milk at reasonable prices and with the Council's inclusion of milk in its activity, this item bids to become even more satisfactory. After the Council's measures are put into effect, medicines, canned fish and canned meat should be within easier reach of the masses.

There is only one possible group that can throw a monkey wrench to the united national effort to minimize the people's difficulties in the matter of prices—the thoughtless, uncivicspirited and avaricious price speculators who would seize every opportunity for increased profit without regard for the plight of others and for the welfare of the country. We shall also move to plug this loophole. With the aid of the proper public agencies and the Secretary of Justice, we shall identify these speculators and appeal to them or to those who have moral authority over them to extend their cooperation for the country's good and for their own good. Should they not listen to persuasion and continue to ignore the public welfare, the Secretary of Justice has already my instructions to apply the law rigorously against them, including the President's plenary power of deportation in cases of speculators who are foreigners.

The future of the people, therefore, is bright under the satisfactory progress of the socio-economic program and with the interim measures on prices of prime commodities, which may be said to be a joint Liberal-Nacionalista program. The leaders of both parties are doing their task. The people have heretofore acted magnificently and done their part. Because of the bright outlook for the future and the readiness of leaders from both parties to help, the people have reason to continue doing their part by adjusting themselves to the prices of some commodities, particularly the

imported ones. They should learn to refrain from using imported goods which they cannot afford and instead use locally-produced goods. This will promote local production and the prosperity that we seek.

For their part, the dealers of locally-produced goods should not increase their prices. The dealers of imported commodities should refrain from raising their prices as best as they can as a gesture of cooperation with the administration and the people and for the ultimate good of the economy and themselves.

The first six months of the administration have been a period of stabilization, during which the successful operation of decontrol was established and the plans to support the socio-economic program have been completed. In that period, prospective investors, both local and foreign, have had time to prepare their plans and assure themselves of the fact that the country is back on the path of free enterprise definitely and for good. The month of July marks the beginning of development of actual investment in projects. The administration is ready to assist investors, who are prepared to go into any of the various and profitable investment fields under an atmosphere of freedom which has been ushered in the country.

The administration is ready to expand credit facilities to boost economic expansion. Only today, the Development Bank of the Philippines has reported that it has loaned P350 million for productive ventures. Bernardino Ronquillo of the *Manila Daily Bulletin* reports also today that with the impending establishment of three new commercial banks as well as a private industrial development bank with foreign support, there is forthcoming “definitely new money that will bolster the peso supply as well as the foreign exchange reserve.”

With the cooperation of all, the success of the Nation’s socio-economic program is inevitable after its auspicious performance in the first six months. Had we continued with controls, there would be no prospect today except continuing economic difficulties because controls encouraged imports, thereby helping foreign businessmen to the prejudice of local investors. With our decontrol plan in effect today, the benefit of profits has been reversed in favor of exports, helping the local producers. This boost to domestic production and local economic activities will inexorably result in more goods, more jobs, more income and a consequently higher level of living for the people.

From the standpoint of sound economic policy, through courage in launching such policy and devoted care for its successful implementation, our country is now moving in the direction of progress and prosperity. More than this material benefit, it must not be forgotten that we have restored to our people the precious possession of freedom. It is exhilarating not only to the Nation as a whole but to the individual as well, now that our citizens can go into business, travel anywhere and anytime, import what they wish and can afford, and do the things that they need to succeed and to become happy without having to secure a permit or license from bureaucrats. For our sleepless and anxious hours for making all these possible, it gives us satisfaction to feel that we have given our countrymen their priceless sense of liberty.

With free enterprise now safely established and considering the abundance of our natural resources which when properly organized and husbanded can support three times our present population, and with an administration that is resolved to maintain until the end its devotion to the nation’s economic growth under a regime of freedom, integrity and justice, we have ample reason to thank God Almighty that it is now in our own hands as a people to sacrifice and work hard together in order to attain and deserve the boon of a better life in freedom.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**Address of President Macapagal on the 61st anniversary of the Philippine Constabulary Address
of
His Excellency Diosdado Macapagal
President of the Philippines
On the 61st anniversary of the Philippine Constabulary**

[Released on August 8, 1962]

THE ROLE OF THE CONSTABULARY TODAY

ON BEHALF of the Filipino people and on my own as Commander-in-Chief of the Armed Forces, I proudly salute the Philippine Constabulary on the occasion of its 61st anniversary.

I have deep personal reasons for regarding the Constabulary with affection and respect. It is because of my full recognition of the services of the man in uniform that I approved, among other things pertaining to the reinvigoration of our armed forces, the raise in pay of the enlisted man; and I am prepared to do more that is within the power of the administration to promote the welfare of the common man in uniform.

Sixty-one years of honorable soldiery in the cause of peace and order is a glory to any organization. But let us one and all reflect upon the thought that this imposes upon us the awe-some responsibility of keeping that record untarnished, and let us remember that this good name of the Constabulary had been purchased by generations of constables by their unquestioning devotion, their indefatigable toil, their sweat and even their blood. Let anyone in this organization at this moment who feels that he cannot keep up this glorious tradition feel the weight of the responsibility. Anyone who is cohorting with smugglers, anyone who is abetting corruption, anyone who has allowed himself to be the prey of vice which he had sworn to fight, anyone who would disgrace the name of the organization leave its ranks now, for the smallest speck of cancer in the body of the PC could very well foredoom the achievements purchased at so high a price in more than half a century of the glorious history of the Constabulary.

I trust that you all understand how I feel about the slightest tinge of dishonorable conduct in my administration. I have not spared my friends even in the cabinet from the strict requirement of official and personal conduct beyond suspicion. And I assure you that if there remains in my administration any public servant who besmirches that norm of honor, I would weed him out if that is the last thing I would do as President of the Philippines. This should give all of you in the Philippine Constabulary a definite idea of what your Commander-in-Chief would do to any constabularyman, whether private or general, who would act in a manner derogatory to the glorious traditions of the organization. The Constabulary is no place for weaklings, physical or moral. I have vowed to place our beloved country on the road to moral regeneration, and I expect that this organization whom I love so well, shall lead our people along that path to our national salvation. Any deviation from among you will be nothing short of treason.

It has been with great pleasure and pride that I have received continual reports of the achievements of the Constabulary in the administration's determined campaign to wipe out smuggling, corruption and vice. These reports have been pouring from all corners of our country. The Constabulary can be sure that our people are receiving news of these achievements with jubilation for they serve to demonstrate the fact that our country has, indeed, entered into a new era of dedicated public service and moral regeneration. It recalls those good old days when our people looked with respect at the merest constabulary private, when this clean and strong and upright man in khaki and red was the hero worship of children, when any man in that uniform was the-object of envy of his civilian friends. Those were the good old days and I am very glad that they are coming back with us to inspire our people with new hope for the future of a nation that was almost ruined by the graft and corruption of politicians of the recent past.

I am impressed, too, by Constabulary reports naming corrupt officials and politicians as well as corrupting aliens as falling into the nationwide dragnet that has been scoring against smugglers and economic saboteurs. I want to tell each and every constabulary man that he has my full backing in this crusade, and that he can collar any man

violating our laws regardless of whether he is a politician or he claims to be an influential man. Spare no man in this crusade. Every guilty one who falls will mean one scoundrel less in our struggle for our economic salvation.

We have already launched our five-year socio-economic program aimed at the upliftment and prosperity of our country and a good life for the common man. There is no turning back in this determined national effort which concerns the welfare of every man, woman, and child in our country and the just place of our Republic on the face of the earth. The Philippine Constabulary is already taking part in this effort and I have every reason to expect that it shall not fail.

Not everyone appreciates the fact that security is a prerequisite for progress. No plan of economic development can hope to be implemented successfully if it does not rest on the premise of individual freedom from fear and anxiety.

If the Constabulary is to satisfactorily fulfill its role in this program, it must condition itself even as an instrument must be honed.

The first step in the conditioning process is to divorce itself from political influences. Perverted politics destroys every agency it taints. When the very internal security agency of the State is tainted, the consequences may well be tragic. The Constabulary must never be made the private tool of any political individual or group, and I herewith pledge my office and all its powers as the buffer for any attempt to convert it into such from the lowest to the highest levels of command.

Indeed, there is too much politics in this country. Since assuming the presidency, I have sought to lay aside politics, consecrating myself to the gigantic task of economic growth, together with moral regeneration. Many so-called leaders, however, seem to persist in dissipating the nation's time in endless politics that exults in irresponsible political intrigue and sensationalism at the expense of the Nation's good. I must say emphatically that these quarters cannot succeed in diverting our efforts from the crucial task of seeking prosperity for our people. Together with dedicated agencies of our nation like the Constabulary, we shall proceed in the vigorous discharge of our duty, undeterred by those who would place politics above the true welfare of the country.

The second step in conditioning the Constabulary would be to impress upon everyone the importance of internal security. When a smuggler, or a Communist, or a grafter is caught, the significance of that event is not confined to the subsequent conviction or the tallying of another statistical entry. The true dimensions of its significance is that the country has eliminated one more compromising factor of progress and contentment. Acts of law violations of all magnitudes are like varying sizes of grains of sand which all threaten to stop the movement of the government's machinery, if not shatter critical parts of the machinery. At this time of our development, when we have just started to recover from the retardation caused by government inefficiency, and when we have just started to lay the foundations of a dynamic stage of national history, we cannot afford the delay of even one moment.

The final step in the Constabulary's conditioning should be the absorption by each and every Constable of this Republic's concept of civil rights. The right to life, liberty, property, and the pursuit of happiness is the fundamental tenet of our way of life.

Every government agency is dedicated to the enhancement thereof. It may be said that it is almost the total concern of government. To help the preservation of this right, certain citizens have been delegated the authority to use force if necessary. This is one of the most powerful authorities which our people can delegate. It can also be the most treacherous. I enjoin you therefore to act in the discharge of your noble mission with such combined firmness and kindness that you shall not be shunned in fear by citizens but that your presence among our countryfolk will be welcomed because you symbolize the benign authority of law and order, protection and helpfulness as the embodiment of the finest qualities of the Constabulary—the friend and not the foe of the people.

The Philippine Constabulary marks its 61st anniversary at a time when justice is the byword of government; justice meaning full reward or full punishment to the deserving no matter what his place is in the social or political scheme of the State. The Constabulary, the glorious Khaki and Red, has long demonstrated its stern affinity with justice. On this significant occasion, every citizen voices the prayer that this reputation shall always endure.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila :
Bureau of Printing.

Radio-TV Address of President Macapagal in the program, "President Macapagal Speaks for the Masses"

**Radio-TV Address
of
His Excellency Diosdado Macapagal
President of the Philippines
In the Program, "President Macapagal Speaks for the Masses"**

[Released on August 14, 1962]

THE STONEHILL CASE

IN my previous Radio-TV address, I enumerated the principal accomplishments of the Administration during the first six months and discussed our performance in the economic field. Now, I shall dwell on the accomplishment that "graft and corruption has been contained and reduced to the minimum," especially in relation to the recently disposed of Stonehill deportation case.

Accelerated economic growth and moral regeneration are the two objectives of our administration. As stated in our previous broadcast, with reference to the economic task, we successfully executed the shift from a controlled economy to decontrol and the system of free private enterprise. The implementation of our economic program will continue to be pursued with vigor and devotion.

In the moral task, we took the following steps:

- (1) My family and I have set the personal example in integrity. If he chooses, the President of the Philippines can become a multi-millionaire in one day from sunrise to sunset. Mrs. Macapagal and I, however, have vowed to God, to ourselves and to our people, that during my incumbency, we shall not earn one centavo beyond my salary.
- (2) In the appointment of Cabinet members and other key officials, I placed first consideration to honesty and integrity among the required qualifications.
- (3) We have removed the causes of corruption; such as, licensing of dollars and imports.
- (4) Although not required by law, the members of my Cabinet and I have published our assets and liabilities.
- (5) We have waged a determined drive in government and business circles against the "tong" system and against influence peddlers.
- (6) We have extended recognition to those citizens, no matter how humble, who have performed acts of honesty by inviting them to the presidential palace.
- (7) We have recommended to Congress the establishment of a Moral Commission to coordinate measures for ethical reform.

After our vigorous drive, graft and corruption have clearly been minimized. In Tokyo, the notorious reparations influence peddlers who lorded it in Japanese nightclubs to the shame and disgrace of our people are gone. In Manila, the vice centers and jewelry shops which used to thrive because of influence peddlers who spent graft money like water have suffered in their businesses. A new morality has set in most government offices. In the Bureau of Customs and partly in the Bureau of Internal Revenue, corruption still persists but soon the massive weight of our total effort will straighten out these offices. On the whole, there has been such an improvement in public morality that the *Philippines Free Press* stated on June 2, 1962, that 'one of the most difficult promises Macapagal made has, from the evidence, been fulfilled. He has reduced corruption. One did not think this was possible.

The Stonehill case may be viewed as a demonstration of our determination and policy in meeting the problem of corruption.

The acts of corruption of Stonehill had been taking place for many years in previous administrations. Even when I was a member of Congress, I already heard of the activities of the American businessman, although in my whole public service of eight years as congressman and four years as vice-president, I myself had absolutely nothing to do with him.

Early in February 1962, after the new administration had taken over, the NBI director, Jose Lukban, accompanied by then Secretary of Justice Jose Diokno, informed me that he had in his possession overwhelming evidence showing large-scale venalities and influence peddling by Stonehill and his associates and asked for instructions whether he could proceed with the gathering of evidence to bust the case. I told him to go ahead, remarking that the new administration was determined to destroy graft and corruption and that in this drive, no man would be held above the law. The director suggested that I take a look at the evidence but the Justice Secretary said that the President should not be bothered about details and that the two of them could scrutinize the evidence and handle all details. I forthwith told the Justice Secretary that he had a free hand in the case.

Early in March, upon being informed that Stonehill and his associates would be arrested and his establishments raided, I sent word for the justice department officials to go ahead. We backed up fully the Department of Justice, Deportation Board, and NBI in the case until the end. It will be seen that our attitude in this case reflects our determination in the drive against corruption.

Given our determination, what about our policy in solving the problem of corruption? This policy was announced during the presidential campaign. We stressed that in a sincere and effective campaign against corruption, what is vital is not so much the punitive action on cases of venalities that had already taken place in the past, but the preventive measures that shall insure that such cases would not take place again. This was the issue we raised against the empty claim of the previous administration that it was investigating 32,000 cases of venalities. On our part, while we would send to jail the crooks who committed criminal offenses against our people, we would be most concerned with creating a new moral tone that will prevent the occurrence of venalities altogether.

We have not changed our position on the means of eradicating graft. We have applied this yardstick in acting vigorously and firmly on the Stonehill case and we will apply the same guide in all anti-graft cases involving undesirable aliens. While taking action against the guilty and against those whom there is significant evidence, our primary objective has been to insure that the acts of corruption committed by Stonehill and those who worked unethically with him will not be repeated and never take place in our regime. Towards this end, we geared our efforts to the following:

- (1) The speedy expulsion of Stonehill from the Philippines as a decisive step in terminating and smashing the web of corruption that he created;
- (2) The filing of proper action against those who in their collaboration with him committed criminal and administrative offenses;
- (3) The protection of the innocent from becoming victims of blind hysteria and political intrigue and machination; and
- (4) The establishment of adequate safeguards for the material rights of the government and private persons.

In accordance with these objectives, we issued Administrative Order No. 19, dated August 3, 1962, ordering the immediate deportation of Stonehill and Robert Brooks, as recommended by the Deportation Board, with the difference that the deportation would be mandatory and forcible, so that they cannot return to the country instead of the voluntary deportation which in surrender they sought, which would have permitted them to come back to the country. In this order, we made the following dispositions:

“1. Respondents Harry S. Stonehill and Robert P. Brooks be immediately arrested and deported by the first available transportation from the Philippines. The Commissioner of Immigration and other proper officials are ordered not to readmit them into the country for any reason whatsoever.

“2. Respondents John J. Brooks and Karl Beck should be placed under probation for two years under conditions as will hereafter be imposed, any violation of which will be cause for their immediate deportation.

“3. The tax and other liabilities of all the four respondents to the government shall continue to be due from them and shall be enforced against their property wherever the same may be found. Likewise, all other proceedings which lie without the presence of the deported respondents shall be allowed to continue or be commenced against the four respondents.

“4. (a) The Secretary of Justice shall continue in such manner as he may determine the investigation of officials pertaining to the Executive Branch, whoever they may be and to whichever party they may pertain, whose names appear in the Stonehill papers in order to establish whether or not any of them has committed a criminal or administrative offense, and he shall in due course disclose the names of those against whom a criminal or administrative action lies and shall forthwith commence such action;

(b) He shall cooperate with the Senate and the House of Representatives or their committees in such investigation or action as these two bodies may take affecting their members in relation to the Stonehill files, for which purpose he shall continue to conduct such investigation as he may deem necessary and proper; and

(c) As regards other persons whose names appear in the Stonehill papers, he shall take such action as justice and the cause of good government may require in accordance with law.”

We emphatically reject malicious political insinuations that the deportation of Stonehill was hurried up in order to whitewash the cases of the officials who were corrupted by him or to prevent him from testifying in Congress.

The case was certainly not hurried up because it took five months to finish it. It is more correct to say that, based on the established acts committed by him, his deportation was unduly delayed. The proceedings in the Deportation Board, which conducted the investigation on behalf of the President, and the presidential order following the board’s investigation, constituted a single proceeding.

Being satisfied with the report of the Deportation Board and the Secretary of Justice that Stonehill and Brooks were dangerous aliens, I had only one duty—to expel them immediately from the country to prevent them from causing more harm by their baneful presence in the land. Obnoxious aliens who are dangerous to the community are like infections. Once determined, the germs and infected tissues must be immediately cut out to hasten the cure.

The defense and maintenance of the security and welfare of the state is a prime duty of government. This responsibility devolves upon the Chief Executive. Because it is a grave responsibility, the law confers upon the President plenary powers, including the power of deportation. In the discharge of this duty, the President must act with the promptness which the circumstances demand. Similarly, he must take that course of action which affords the most effective protection to the state. In the particular case of Stonehill, having arrived at the conclusion that his presence in the country constituted a continuing and present danger both to the security and the welfare of the state, it was my inescapable duty to take the only course of action which would remove the danger effectively and immediately. The only way to do this was to order Stonehill out of the country immediately. Other considerations had to give way to the immediacy of removing a continuing threat to the security and welfare of the state.

Insofar as this administration is concerned, the policy in the Stonehill case will be followed in all similar cases. Once a foreigner has been adjudged to be a dangerous alien whose continued presence tends to harm gravely the country’s welfare, he must be sent out of the country immediately. No one should be allowed to retain his person longer in the country by instituting proceedings against him, but his properties will be held to answer for his pecuniary liabilities. If others desire the presence of his person, they should do so during the pendency of the deportation proceedings but

not after. In the final analysis, this is in the nation's best interest because dangerous aliens must necessarily and unobstructedly not be allowed to stay one day longer in the Philippines or allowed to return ever.

Indeed, it is not for the President to establish why he immediately deported an obnoxious alien since this is his duty. It is up to those who disagree to prove that the prolongation of the alien's stay in the country was absolutely demanded by the public welfare. In the Stonehill case, there were no valid reasons for delaying the ouster of the aliens from the country, in the light of the following considerations:

1. Since the deportation proceedings took five months, those who needed the testimony of the deported aliens had time, if they were serious, to summon them before their deportation. The Supreme Court's injunction on the use of the Stonehill papers was no excuse for failure to summon the aliens earlier because the injunction was against the prosecutors in the deportation case and not against another body. Moreover, the Supreme Court lifted the injunction on June 20, 1962, or more than one month before the order of deportation.

2. The time to get the testimony of an undesirable alien is before he is ordered deported and not after, because after he is ordered deported, his testimony comes from a polluted source and becomes next to worthless.

3. As a matter of fact, Stonehill appeared in the House Committee on Good Government where he twice refused to answer questions by invoking the inviolate constitutional right against self-incrimination. There is no similarity between the Stonehill case and the Arnault case because in the latter case, the alien voluntarily testified on the subject of inquiry, thereby waiving his constitutional right, whereas in the Stonehill case, since he invoked his constitutional right, he could not be compelled to testify even if he continued to stay in the country indefinitely.

4. Stonehill's testimony was not essential to the inquiry of the House Committee on Good Government which was intended not to determine guilt, for which it had no power, but to formulate a Code of Official Ethics. Surely, Congress, if it desires, can formulate a Code of Official Ethics without Stonehill's testimony. Even if guilt were the purpose of the committee's inquiry, in our legal system you cannot prove guilt by compelling a person to testify against himself in breach of the Constitution.

5. As to the advisability of compelling Stonehill to testify, attention is drawn on the comment of the Commissioner of Immigration, Martiniano Vivo, as follows:

"Stonehill should not be the sole judge of who are the good and the bad in the government. If Stonehill had talked, what would have prevented him from accusing his enemies and protecting his friends in the public service? Would it not have been possible for Stonehill, considering the finding of the President in the deportation order, to brand his enemies who may be good as crooks, and his friends who may be guilty as angels?" (*Manila Times*, Aug. 8, 1962.)

6. To delay the ouster of the two aliens would have prolonged the harm to the public interest because excessive time and attention had already been put into just one deportation case for many months. In the words of Emiliano Jurado of the *Philippines Herald*. "To be fair, the President had three strong points, which should have been exploited by his spokesmen. *The government had already spent much time, money, and effort for a single anti-graft case.* Congress had all the time within five months to probe Stonehill and there's no reason why it chose only now to go about it. *The continued stay of Stonehill and Brooks would in effect have tolerated the efforts of the two to continue to weave their web of corruption. The prolongation of the case was proof of this.*" (*Philippines Herald*, August 5, 1962.)

7. Contrary to some uninformed view, the pendency of criminal proceedings against him was no reason for Stonehill's prolonged stay because it is the rule that the interest of any other party in any pending criminal, civil or administrative proceeding must be deemed subordinate to deportation and must yield to its overriding necessity." (*Tama Miyake vs. U.S.*, 257 Fed. Rep. 732.)

Moreover, as pointed out by Press Secretary Leoncio Parungao:

“With all the evidence in his possession and all the forces at his command, former Justice Secretary Jose Diokno, who initiated legal action against Stonehill, did not file any criminal or any other proceedings against him except one for deportation. When Diokno was handling the case, he was known to be satisfied if Stonehill would do two things: (a) leave the country and (b) settle his tax liabilities, especially after the negligent disappearance of Spielman.” (*Manila Chronicle*, August 6, 1962.)

The situation might be different had the department of justice, in initiating action, filed criminal charges against the aliens and based their deportation upon conviction. Since the secretary of justice, who initiated the case and who had a free hand in the proceedings and who was aware of the evidence in detail, found as sufficient the deportation of the aliens without necessity of criminal conviction, there is no reason why the Chief Executive should not be pictured as having acted unwisely in line with the action of the said secretary of justice.

Because of the danger to the community of the continued stay of undesirable aliens, it has not been considered unwise to deport an alien without criminal proceedings. President Garcia deported an undesirable Australian alien despite the pendency of criminal charges against him for the smuggling of gold bullion. When the late President Magsaysay was secretary of national defense, he also personally ousted the undesirable Chinese alien Co Pac who was deported without criminal conviction.

In the case of Stonehill, the harm, to the public welfare would have been compounded if, instead of being sent out of the country, preference was given to his being sent to jail. Let- us consider what would then have happened. As everyone knows, you cannot send a man to jail unless he is convicted in court. In other words, there must be a judicial proceeding. And, as everyone knows, a judicial proceeding takes a long time, oftentimes stretching into years. Had the state chosen to prosecute instead of deporting Stonehill, the preliminary investigation and trial alone would have taken months, and perhaps a year or two would have passed before a judgment of conviction or acquittal would have been rendered by the court of first instance. Assuming that the judgment would be for conviction, Stonehill would have had the right to appeal to the Court of Appeals, and from the Court of Appeals to the Supreme Court. This would have taken more time—perhaps years. At the same time, considering Stonehill’s obvious affluence and influence among some circles, the Government would have had to contend with his strong forces as well as his vast resources—a situation which would have tied up many agencies and offices of the government for many years. In the meanwhile, assuming that the criminal charges would be for crimes which do not involve the penalty of death—and the evidence of Stonehill’s transgressions involve economic activities and the corruption of public officials which do not warrant this penalty—he would have demanded as a matter of constitutional right that he be granted bail during the pendency of the charges against him. Thus, for years while resorting to every tactic that would have protracted the proceedings against him, Stonehill would continue to be at liberty in this country, free to continue inflicting the mischief and damage that he had already caused the Filipino people. It would have been a dereliction of duty to allow such a situation. Not all the years which Stonehill could have suffered in jail would have been sufficient justification for the Chief Executive to allow the country to be exposed a single day to his pernicious machinations. His presence being akin to a cancerous growth, it was our duty to act with surgical decisiveness. The desire for personal retribution, or to put it colloquially, the desire to see a wrongdoer rot in jail cannot be held above the overriding necessity of protecting the security and welfare of the state with dispatch and immediate efficacy.

To those who say that jail and not deportation was the proper punishment, may we point out that had we not deported Stonehill immediately and, instead, held him for prosecution, the latter would, today and for years to come, still be enjoying the privilege of staying in this country, free to continue with his business operations and nefarious activities. On the other hand, deportation immediately deprived him of the privilege, which he had enjoyed for the last 17 years, of staying in this country and enjoying the opportunities that had enabled him to irregularly amass a fortune, to the detriment of the country. Had we waited for a final conviction against him before withdrawing this privilege from him, who can tell but that years from now, if and when that final conviction finally came, intervening circumstances—such as a new administration which would be unable to stand up to pressures brought to bear upon it by his cohorts—would have defrauded the people’s expectations of either seeing him in jail or out of the country? In effect, by the order of deportation, the Administration has inflicted immediate, actual punishment on him, in lieu of expected, future punishment which no one could tell when it would be imposed and, worse still, no one could guarantee that it would be imposed at all.

It is being made to appear by critics that the Administration has been lenient to Stonehill by giving him freedom. It is being forgotten that Stonehill did not want to leave the country, that he savagely fought against deportation, thus paralyzing the department of justice for five whole months. Even members of the press confirm this—that he gave up the fight only “after the President had accepted the resignation of Finance Secretary Fernando E. V. Sison and reassigned Executive Secretary Amelito R. Mutuc for alleged involvement with the tobacco tycoon.” (*Philippines Herald*, Aug. 2, 1962.) For an alien who desires to stay in the country, deportation means the loss of his most cherished freedom to return and live in the land of his choice. To such an alien, deportation is the highest form of punishment. This may be judged from Stonehill’s words when he was forcibly ejected from the country never to return:

“I fought as vigorously as I could the move to deport me because deep in my heart I felt this was the right place to raise my family in the Christian way. I leave with a heavy heart and much regret.” (*Manila Times*, Aug. 5, 1962.)

Indeed, he had reason to leave with regret because now without his capacity to fight for his interests, the Administration has been able to proceed administratively and in suitable cases criminally, against those who were involved in unethical relations with him; seize his assets, including the U.S. Tobacco Corporation to satisfy the government’s pecuniary claims against him; and in his place of exile in Europe, the foreign press has reported that he is continually watched by the police and has had to transfer stealthily from one hotel to another. The government will continue to flush out those of Stonehill’s confederates who would seek to continue with his illegal activities and evil influence in this country. The administration will also see to it that the doors of this country shall forever be shut to Stonehill and his activities.

We have done our duty in this case to the best of our ability with no motive, as ever, but the wellbeing of our people. It is gratifying that discerning and objective sources have recognized the merit of our forthright action. Ernesto del Rosario of the *Manila Chronicle* acknowledged that “It is to the credit of the President that in doing away with Stonehill he demonstrated firm determination in ridding our society of a festering sore.” (*Manila Chronicle*, Aug. 6, 1962.) Abroad our action has also been applauded. U.S. *Time* magazine wrote in its Aug. 10, 1962, issue said that: “Macapagal moved in earnest to end Stonehill’s career in the Islands. Haggard and forlorn, he offered to leave voluntarily—a move that would permit his eventual return. But Macapagal wanted no part of Stonehill now or in the future. At week’s end he ordered Stonehill’s arrest and deportation as an undesirable alien.”

While we have sought only the nation’s good, those who have sought to misrepresent us in our actions appear to be motivated by politics. Most of them are the same parties who criticized us at every turn before our presidential victory. To them, in the past and now, I cannot do right. When I had no occasion to act yet on the deportation case, it was bruited about that I was protecting my Cabinet members. When upon receipt of the report of the Secretary of Justice, I acted on the same day by replacing my two cabinet members who were very close to me, I was criticized as being stern and unfair to them. When the case started and I declined to comment, being the final authority who would decide the case, it was bandied about that I would not deport Stonehill. When I received the report of the Deportation Board and mandatorily deported him the following day so that he could not return to the country, I was criticized for deporting him immediately. Because of his immediate deportation, it was also alleged that the cases of the executive officials involved would be whitewashed and their identities would never be known. When two days later, we not only revealed the names of these incumbent officials but took action by relieving them from the service, I was accused of being a dictator. It is plain that the critical attitude towards the Administration in this case is political, based on the odds, heads we lose, tails they win.

Any insinuation that Stonehill’s immediate deportation would lead to a whitewash of those involved in unethical dealings with him is a canard springing from political motivation. It was plain from the deportation order that the investigation would continue, as, indeed, they have continued. Since the deportation order, action has been taken against fifteen executive officials. On my directive, Department of Justice officials have continued using the evidence and following up leads until those against whom criminal or administrative action lies would be exposed, although the innocent would be protected, in the pursuit of our basic policy that similar venalities would not occur in the future. As we have acted firmly in the Executive Branch, we are hopeful that the Senate and House of Representatives will also do justice to their members.

There is a fact which betrays the political motives behind the criticism against the Administration in this case. We refer to the queer fact that the congressional investigations, conducted concurrently and prematurely while the Executive Branch was vigorously investigating the case, were undertaken not by the proper Senate and House committees but by committees led by henchmen of the Lopez bloc interests. In the Senate, where there is a Blue Ribbon Committee whose traditional task has been to investigate reported anomalies, instead of the Blue Ribbon Committee undertaking the investigation, it was conducted by the Committee on Elections and Privileges headed by Senator Oscar Ledesma, a political associate of Senator Lopez. In the House, where there is a Committee on Internal Government, which should look into the reported involvement of congressmen, the investigation was conducted not by this Committee but by the Committee on Good Government headed by Congressman Jovito R. Salonga of Rizal.

From the fact that the initiative to investigate, Congress was unduly taken by Senator Ledesma and Congressman Salonga, even before the Executive Branch had finished its investigation, it is clear to those who know politics in this country that the criticism being mounted against the Administration on the Stonehill case is political support of the interests and ambitions of Senator Fernando Lopez whose candidacy for the presidency in 1965 has already been launched in Davao and other places. The press has reported from Davao that “queried regarding his political plans, Senator Lopez frankly admitted that he is interested in a draft for the presidency in the 1965 presidential fight.” (*Evening News*, August 13, 1962.)

Our people should know, therefore, that Senator Ledesma and Congressman Salonga, in their actuation in the Stonehill case had, wittingly or unwittingly promoted the effort of the Lopez block to use the case against the Administration for political purposes. Because they failed to prevent the deportation of Stonehill, it is no surprise that Congressman Salonga has moved to turn over the investigation to the Committee on Internal Government, and Senator Ledesma has turned over the investigation to the Blue Ribbon Committee with the extraordinary but transparently significant change that the Blue Ribbon Committee, headed by Senator Roseller Lim, has been turned over to Senator Lorenzo Sumulong, another political associate of Senator Lopez since 1953 when together they bolted the Liberal Party and formed the defunct Lopez-controlled Democratic Party. It was even less surprising that the first decision of the now Sumulong-controlled Blue Ribbon Committee was “to conduct a separate probe into the Stonehill case to include officials in the Executive Branch of the Government.” In short, the Lopez group has treated the Stonehill case not as an anti-corruption case for the public welfare but has converted it into a political implement to promote the political and economic interests of the Lopez bloc.

In candor, I must say that I have not budged from the position that the political ascendancy of the Lopez vested interest group will be against the national welfare. Their tactics in the Stonehill case constrain us to do what is legal and proper to frustrate their political maneuvers. Our socio-economic program for the country demands that we oppose those who would utilize business empires to advance organized political power and vice-versa because this obstructs the establishment of fair and equal opportunity to the common people for advancement. We are prepared that the now announced Lopez bid for the presidency in 1965 through every opportunity, like seeking the Senate presidency and using the Stonehill deportation case for political purposes, be resisted and submitted to the people for decision.

There is not only irony but foul play in the attempt to arouse passion against the administration for its unequivocal and decisive disposal of the Stonehill case. Those who shed copious tears of righteousness over the case may well ask themselves, who were responsible for the conditions of moral decadence that enabled Stonehill to weave his web of corruption? Was it this administration or those who would now strike their breast in hypocritical indignation? The Stonehill case was known by the past administration, yet they did nothing against him. Now that we have deported him after due process, which the past administration did not dare to do, we are the ones being taken to task.

Having inherited this case and the moral decay in which it festered from our predecessors, what have we on our part done? We have busted the case, unmindful of who would get hurt; we have replaced two members of our cabinet; we have relieved many ranking officials and are proceeding to relieve more as the facts and justice require; and we have gotten rid of the source of infection without delay. And in the wake of our decisive action for the people, Stonehill who for years moved in the highest circles, was exposed for what he was, jailed, his prestige undermined, his offices and home stripped of pertinent documents, his assets and properties seized, and was uprooted from his adopted land;—separated from his wife and family.

Can anyone remember any administration that has acted with more drastic decisiveness in any case of even less magnitude? Allow me to solemnly declare that while it is possible that being human we may be, in the sight of some, in error in our judgment, it is a judgment that we made with all the lights of which we are capable in the fervent pursuit of what we saw was for the best interest of our country and the cause of justice.

Since becoming President, we have exerted so much effort to make the Nation and its leaders realize that the main task is to accelerate economic growth to enable our people to enjoy a better life. Upon assuming office, the first thing we did was to formulate with the aid of experts, a five-year socio-economic development program and we succeeded in having it adopted as the whole Government's program by the House of Representatives and the National Economic Council, in which the Senate is represented. This is the first time in our history that an economic development program has been officially adopted by the Government. We have doggedly implemented the program. Because the successful implementation of this program will mean the salvation of our people from hardships, we have pleaded with all elements to cast aside or minimize politics. It is gratifying that the top leaders of the Nacionalista Party, Senate President Eulogio Rodriguez and former Speaker Daniel Romualdez, have extended their cooperation, particularly in the sensitive phase of prices. Now lesser leaders, ecstatically delighting in politicking at the expense of the nation's good, would dissipate the nation's energy in passionate political wrangling and veer from the constructive task of pushing onward our economic and social program.

We cannot get anywhere as a people if we continue to look at everything from the standpoint of politics and political gain. The time has been long overdue for a new outlook that would discard the habit of negative thinking and attitude in favor of positive thinking and constructive action. We cannot indulge in constructive and destructive thinking forever, such as in dissipating the nation's energy over the sensational case of one alien as if the fate of the nation depended upon one single case which had been firmly decided—ignoring that there are other undesirable aliens in our midst who, too, the country must get rid of; that there are Filipino Stonehills who, being also undesirable, must be stopped in their selfish bid to cling to a position of monopoly and privilege that obstructs a progressive life for the common citizens; and forgetting above all, that the real job to which we must all buckle in one united and herculean effort, is to develop the economic resources of our land which God in His bounty bestowed not to lie dormant but for our people to enjoy in a good life.

The choice lies in the hands of our political opponents and their friends who showed support for a regime of corruption in the last polls. They may either join hands with us in a constructive and patriotic endeavor to seek a better life for our countrymen or continue to engage in the destructive game of blind partisan politicking. If the first be their choice, ours shall be a fortunate nation. If the second be their preference, we shall meet them in the game of their choice for no other purpose than to strive to clear the ground of old habits of selfishness and irresponsibility so that leaders and citizens of good faith may build auspiciously thereon a better future for our people.

For our part, whatever our political adversaries and their supporters may choose, with no other desire but to serve the best interest of our country and people, we shall use all the gifts that God Almighty gave us to pursue relentlessly and honorably our program to bring about economic and social progress to our people and infuse honesty and integrity in our government.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal before the Chamber of Commerce of the Philippines

Address of His Excellency Diosdado Macapagal President of the Philippines Before the Chamber of Commerce of the Philippines

[Delivered on August 18, 1962]

PROGRESS REPORT ON THE NATION'S ECONOMIC PROGRAM

ON September 9, 1960, I appeared before you as Vice-President and forthcoming presidential candidate of the Liberal Party. On that occasion, I expounded the economic program of our party which we expected to carry out in the event of victory. My speech on that occasion became the economic bible of the party during the campaign. Those of you who remember that speech will note that the economic program that I outlined to you has been adopted in the five-year socio-economic program which is now the economic policy of our Administration.

This fact should make clear that in our Administration, we say what we mean and mean what we say. When we say therefore that we shall not withdraw from the policy of decontrol and free enterprise during our term of office, we mean just that, so you can plan your business ventures on the basis that insofar as we are concerned, decontrol and free enterprise are in our country to stay and whatever the problems there is no turning back in this policy.

One of the tenets of the Chamber of Commerce of the Philippines is economic nationalism. This calls for the ascendancy of Filipino businessmen in the Philippine economy. In the past, this was sought to be brought about by waving slogans which were applied only to suit particular and favored Filipinos. During the presidential campaign, we replied to those who waved these slogans that the ascendancy of Filipino businessmen in the economy cannot be attained by unimplemented slogans but by action without need for slogans. In our administration, we have not waved slogans but we have acted to increase the opportunities of Filipino businessmen for ascendancy: first, by formulation of a clear socio-economic program predominantly participated in by Filipinos; second, by increasing credit facilities for Filipinos, and third, by deporting and smashing the webs of corruption and unscrupulous business practices of undesirable aliens who block opportunities for Filipino businessmen and legitimate foreign businessmen. This is legitimate economic nationalism not by slogan but by action.

We must emphasize, however, that we welcome legitimate foreign investors who wish to help develop our economy in joint ventures with Filipinos and who do business with integrity and not through an unfair advantage of corrupting public officials and other fraudulent practices. Foreign businessmen now in the country who do not resort to corruption of officials and fraudulent manipulations, will be given full protection and assistance by the Administration. Our program envisages domestic investments amounting to 89 per cent of the requirements and foreign investments amounting to 11 per cent. Indeed, there is wide room for profitable foreign investments in the country and to all foreign investors, present and future, we guarantee against confiscation of their investments, freedom to repatriate profits, as well as capital, and equal protection of the laws.

A proper climate is a prerequisite for the successful implementation of our socio-economic program. In order to create this auspicious climate, the administration has taken action against some prominent businessmen. These businessmen may be classified into (1) those aliens who seek to advance in business through corruption of officials, like Stonehill and Peter Lim; (2) those former aliens who have resorted to venalities to do business like Cokeng and Ernesto Ting; (3) those former aliens who have resorted to profiteering which disturbs the healthy progress of an economic program; and (4) those aliens who participate in elections in open mockery of the Philippine laws, in an effort to influence public officials and unduly obtain business favors.

But it is not undesirable aliens or former aliens alone who pollute the atmosphere of free or private enterprise that the administration is committed to evolve. There are also Filipino Stonehills. Among them are so-called Filipino

businessmen, who build and maintain business empires through political power, including the corruption of politicians and other public officials, and so-called businessmen who misuse their government positions to build fortunes in unfair competition with the legitimate businessmen. We shall also take action against these native Stonehills because in clearing the ground of obnoxious debris for a true and effective private enterprise system, we shall not discriminate, we will act against national or foreigner, against friend or foe, against all those who are obstructions to an economic system that affords equal and fair opportunity to all the citizens to advance economically not through malfeasance but through hard work, ability and integrity.

Another prerequisite to a proper climate for the success of our economic program is to keep politics out of its implementation. As we have taken action against those who constitute economic roadblocks to the success of the program, we are also prepared to contend with those who will become political roadblocks, those who will inject partisan politics in our measures taken to promote the Nation's socio-economic program. The Administration is erecting an economic compound, as it were, wherein the business leaders and all legitimate businessmen, big and small, shall develop the resources and wealth of the land in a setting of integrity and freedom for the general economic wellbeing of all our people. At the gate of this compound of national economic endeavor based on free and private enterprise, I shall be the security guard to see that politics is kept off the unhampered implementation of the Nation's economic program.

Having mentioned the necessity for a proper climate, we shall now expound on the progress we have achieved in the implementation of our Five-Year Socio-Economic Program and the work that lies ahead.

Review of Implementation

In my State of the Nation Message before Congress delivered last January 22nd, I stated that the principal tasks of our Administration in the economic field are twofold: first, to establish immediately a new, stable base for business valuation and planning to remove the uncertainties that pervaded the economic atmosphere in previous years; and second, to set clear directions for overall economic, monetary, fiscal and commercial policies and for government investment programs in order to generate a new dynamic for continued economic growth.

Decontrol

The first step we took to stabilize the business atmosphere was to remove exchange controls on January 21st this year. We anticipated even then that the first import of this action would be to create a flurry of speculation and to increase the prices particularly of those commodities which, up to the last stages of the previous decontrol program, continued to enjoy preferred rates of exchange. In order to temper the initial speculation that accompanied the restoration of a free market for exchange, particularly after over 12 years of controls, we established a stabilization fund of \$300 million made up of loans negotiated with a number of U. S. commercial banks, the International Monetary Fund, the U. S. Agency for International Development, the Export-Import Bank of Washington, and the U. S. Treasury. We also imposed credit restriction measures knowing that in the face of speculation on the future course of the exchange rate there would be a demand for credit purely for the purpose of buying foreign exchange to hold abroad. The results of the decontrol have exceeded our most sanguine expectations. Speculation was shortlived. As you all know, the present level of the exchange rate has remained amazingly stable for the past three months at between P3.36 and P3.90 per U. S. dollar. The growing confidence that you businessmen have begun to show in the stability of this rate is now reflected in the fact that many people are no longer interested in paying high premiums for foreign exchange purchased for future delivery. As the rates stabilized we were able gradually to remove the special time deposits required for most importation.

Prices

Next we diverted our attention to alleviate the effect of the inevitable increases in the prices of commodities such as milk, canned fish, corned beef and life-saving drugs. As I explained repeatedly in my radio-television broadcasts, the increase in the prices of these commodities was inevitable because, among other factors, they must now be imported at the rate of P3.90 per dollar when up to January this year they had been imported at P2.00. Ultimately, the lasting solution to the temporary difficulties posed by these price adjustments must be the expansion of

household incomes, the reduction of unemployment and the domestic production of these commodities at lower costs and in larger quantities. In the meantime, the government recognized the need for adopting some palliative measures to the end that the necessary burdens of adjustment should not unduly bear upon the masses of the people in our country. I am happy that in the pursuit of this end, the leaders of the Opposition Party chose to join ranks with us and a bi-partisan price committee has approved a temporary program of consumer subsidies to reduce somewhat the cost of these essential items to our consuming households.

Second Stage of Implementation

I am happy to report that we now redirecting our attention and our full energies to the implementation of our economic program. We are now poised to launch the second stage of implementation to define the clear directions and integrate overall economic monetary, fiscal, commercial, industrial and agricultural policies and to program systematically and scientifically the government's own investments in order to provide maximum inducement for private capital formation. To assist the Administration in this task, I have added to my top economic staff one of the most brilliant young economists in our country today, who is also imbued with a sense of dedication and mission for our people, my new Assistant Executive Secretary for Economic Affairs, Sixto Roxas, III.

Rehabilitation

We are not unmindful of the difficulties which many of our existing new industrial ventures are facing because of the removal of exchange controls. We know that many of these firms established under the mantle of protection afforded by exchange controls are now facing serious problems of adjustment. The financial structures of these firms were designed to keep them viable only as long as the high profit margins existing during controls continued. With the increase in the exchange rate to the present level, profit margins have come down. Under this new situation, a large percentage of our industrial firms are now undercapitalized and heavily over-extended. I wish to assure you that the government recognizes its obligation to formulate programs of assistance for the orderly reorganization and readjustment of entire industries. We are now in the process of studying the specifics of these problems and I give you my assurance that before too long we shall launch a special program of assistance and rehabilitation.

Systematic Programming of Social Overhead

The task of exploiting the rich material and human resources of this country for the purpose of improving the welfare and livelihood of our people is necessarily a joint effort between government and the private sector. Committed as we are, furthermore, to a philosophy of private and free enterprise, in our Socio-Economic Program private investments occupy the major role in satisfying the increasing needs of the country for income and employment. But we recognize also that for development to proceed at a rapid pace government must provide every feasible facility, assistance and protection to private investments. To this end, the government is now in the process of reorganizing the whole basis and approach to the programming of its capital and operating funds. We have suspended temporarily the release of funds for all public works projects except those which are most urgently required, particularly because of calamities, or damages wrought by typhoons and floods. We have done this in order, first, to integrate the various project proposals into technologically consistent and economically integrated groups of projects that can be launched together with maximum efficiency and economy. This is a sharp departure from the past where public works projects were undertaken in response to political exigencies in small scattered isolated droplets with no permanent effects on production and distribution in the country. From hereon, road construction will be undertaken to establish complete networks chosen to establish necessary links between priority production areas and market centers and integrated with requisite harbor facilities. We shall no longer as in the past think in terms of isolated irrigation projects but of integrated water resource development combining flood control, irrigation with municipal waterworks and where feasible with hydro-electric power. In the programming of disbursements for these projects we shall be in constant consultation with private investors in order to coordinate the government's own time-tables with the requirements of farmers, mining firms, logging and lumber concessionaires, manufacturers and traders.

Emergency Employment Funds

Some have expressed misgiving that the funds appropriated for the Emergency Employment Administration shall be used for political rather than economic purpose. I wish to assure you here and now that the capital programs on which these funds shall be disbursed will be for productive purposes and will be fully integrated with the overall public works development schedule and will be used to fill in essential gaps left by the absence of specific legal authorizations.

Mobilizing Financing

As the implementation of the program proceeds, tremendous resources must be mobilized to finance not only the government's own capital and operating requirements but also the supplementary needs of private investment projects. The Department of Finance is now engaged in a vigorous campaign to improve the tax collection machinery of the government. In addition, we are working out the arrangements necessary to make full use of foreign loans now available to us and still unutilized such as the \$50 million from the U. S. Agency for International Development, \$30 million from the Export-Import Bank of Washington, \$250 million from Japan. I am glad to state that the organization of the Private Development Corporation which is sponsored by the government and which will be financed by the A.I.D., the World Bank, private foreign investors and private Philippine investors is now nearing completion. This corporation will provide much needed financing in the form of capital contribution and long-term loans for new private ventures as well as for the modernization of established enterprise.

We are now also examining the existing investment policies of all the government financing institutions in order to determine how these policies may be revised to suit the requirements of industrial and agricultural expansion in the coming years.

Coordinated Policies and Procedures

Finally, we are aware that the establishment of a healthy climate for private investments, domestic as well as foreign, demands that conflicting government policies and administrative procedures that unduly place bottlenecks in production and distribution should be expeditiously removed. The members of my cabinet, my economic staff and myself are daily engaged in identifying and locating these bottlenecks and taking immediate measures to remove them.

Gentlemen of the Chamber of Commerce of the Philippines, ever since my election to this high position I have become increasingly conscious of the serious and weighty responsibility that faces us in our generation. To eradicate poverty from the face of our country, to give to the growing mass of our population hope for a life of security and comfort, to give meaning and substance to the democratic platitudes of freedom and equality of opportunity—these are noble tasks in the performance of which we must spare no material or human resources. To these tasks, we have dedicated ourselves and our entire administration. Their successful accomplishment is the only success we seek. We shall tolerate no obstacles, we shall be relentless to the verge of success.

I find it fitting to reiterate what I told you on September 9, 1960:

“The program of prosperity through private enterprise is the opportunity of a lifetime for any entrepreneur, producer and businessman in any country in any period. In the light of the present state and pace of our development and other attendant circumstances, we are determined to make the profit motive the most powerful stimulus to the full and rapid growth of our economy because we cannot afford to wait any longer for our people to stagnate in their poverty. In the last decade, businessmen had been complaining with ample justification against inequities on the part of the government and its personnel. Under our program which we are resolved to carry out, you will have no further cause to complain because the development of the economy is now in your hands, while the government roots for you to succeed in your great task, ready to help you, by giving you credit which you need and deserve, information, guidance and any assistance that you may need to make honest money for yourselves and prosperity for our people. In the system of private enterprise into which we have embarked, the prosperity and destiny of our people shall rest mainly in your hands. May God bless you.”

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**Address of President Macapagal on Quezon Day Address
of
His Excellency Diosdado Macapagal
President of the Philippines
On Quezon Day**

[Delivered on August 19, 1962]

NATIONAL QUEZON DAY

TODAY, we are commemorating throughout the nation the birthday of one of our greatest heroes, Manuel L. Quezon. It is only this year that his birthday is being celebrated nationally. I have proclaimed Quezon's birthday as a national day of celebration because in my judgment, President Manuel Quezon is one of the six greatest national heroes of the Filipino race.

Who are these six greatest Filipino heroes? The greatest of them was Dr. Jose Rizal, who was not only a martyr but was the one who aroused the national consciousness of our people through his writings, notably the Noli and Fili. Among the other five are included, General Emilio Aguinaldo, the leader of the successful revolution against Spain; Andres Bonifacio, who started the revolution against Spain altho its leadership fell later in Aguinaldo's hands; Lapu-Lapu, the Filipino tribal leader who defeated the invading Spanish forces and killed Ferdinand Magellan; Jose Abad Santos, the outstanding Filipino martyr of the Second World War; and among the six, the last to be mentioned but not the least in stature and greatness, the father of the present Republic of the Philippines, Manuel L. Quezon.

Quezon Day is a day of remembrance. It is a day of dedication to the ideals and pursuits of the hero we have come to honor, for here indeed is another proof of the adage that the history of a nation is largely the story of its great men.

During the concluding decade of the last century, the Philippines found itself at the vanguard of the nationalistic movements in all Asia. Poorly armed, we dared to fight one of the greatest colonial empires in all history. When final victory was already within our grasp, we established the Malolos Republic which was the first of its kind in this region. Hardly had we started to breathe the air of freedom, a war to defend it was forced upon us by another great power. Although we lost the war in the end, we at least proved to the world that the concept of a Filipino nation was not a myth. For the first time in our history, our people fought as one to assert our right to govern ourselves and to decide our own destiny. History now tells us that the Philippine-American war was one of the most sanguinary in the annals of colonies, no less bloody even than the infamous Boer war in Africa.

While it is true that we gave up the armed struggle against our new antagonists after three or four years, our sacrifices were not in vain. We won at least the assurance that the Philippines was for the Filipinos. It was insinuated when we laid down our arms that the freedom we lost might be restored to us after we had demonstrated our competence to govern ourselves in the democratic way known to our conqueror—the republican system of the United States of America.

Quezon, whom we are here to honor on his birthday anniversary, led us in the peaceful but most difficult struggle to win back the independence we had lost in the field of battle. The difficulties and obstacles that met us at every turn for almost four decades were no less formidable than those encountered in war. They did not only call for courage and patience but also statesmanship and a vision of the highest order. Never before in all history did a colony win its independence except by the force of arms. Yet here we were, under the leadership of Quezon, set and determined to blaze a new trail for all mankind to see—a peaceful struggle for independence, not by the use of bullets, but by demonstrating competence in the art of self-government.

How ably and well he led us is now history. We at last have regained our independence. And more, we have set an example for all other colonial peoples, many of whom have now also obtained their independence or are fast on the way to achieving it. We can now say, therefore, with justifiable pride that Quezon is not only our national hero but

also a hero for all peoples throughout the earth who traversed or are traversing the difficult road of colonial existence. He is truly one of the great world heroes of freedom.

Quezon was neither a genius nor a superman. He was an ordinary mortal like all of us. But he was quick to perceive and understand the principles implicit in the concept of nationalism against the background of political developments during our lifetime. To him, nationalism did not just mean love of country, but the dignity of his race and the right of his fellowmen to equality with other peoples.

One of the legacies he left us was his staunch refusal to submit to the indignities that other races would inflict on us, just because we were Malays. Like Rizal, del Pilar, Bonifacio, Abad Santos and countless other Filipino heroes, he believed in the dignity of the Filipino as a people, and the right of his countrymen to equality with other peoples. He had shaken off the colonial mentality that some of us are still afflicted today, and held aloft the torch of Filipino nationalism for all the world to see and for future generations of Filipinos to emulate.

Quezon's compliance with his obligation in the task of nation-building was more than sufficient. For us, the task will be difficult; in all candor, I must say that it will require a lot of sacrifice and a clear manifestation of rugged individualism. As Quezon the Nation-builder said in 1935 when he solemnly took his oath of office:

"Our life may not be one of ease and comfort, but rather of hardship and sacrifice. We shall face the problems which lie in our path, sparing neither time nor effort in solving them. We shall build a government that will be just, honest, efficient, and strong, so that the foundations of the Republic may be firm and enduring—a government, indeed, that must satisfy not only the passing needs of the hour but also the exacting demands of the future."

While he fought in the battlefield of peace for the independence of his country, he also fought for the freedom of his people from poverty and economic bondage. He started the movement for social justice for the masses, in words of the Constitution drafted under his leadership, for the economic security of all the people. Today, the battle for social justice rages. It is a hazardous fight because it is being resisted by powerful men and groups who would install and perpetuate instead a system of monopoly and privilege. We have picked up the good fight. Inspired by the hero's dream of social justice, we shall wage the fight to the bitter end no matter how moneyed and powerful are the opponents and how formidable the odds, because we are not fighting for ourselves but we are fighting for our people who have long deserved the boon of a better life.

August 19 shall be a red letter day in Philippine history for all eternity. It is the day dedicated to the memory of the leader who brought into being the Republic of the Philippines. But today in this Republic, our people still live in want. In remembering Quezon, it behooves us whom he left behind and who came after him to exhaust our wisdom and energies to the end that the freedom that he won for us shall not only mean independence from a foreign power but shall also mean freedom from want and misery for our countrymen.

To this task, we solemnly pledge and consecrate ourselves as the best tribute that we can pay to the father of the Republic. I pledge myself to the fulfillment of my concomitant obligation in the task of nation-building. You can do no less. Together we must toil so that Quezon's dream for a better life for all may be realized.

Source: **Presidential Museum and Library**

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**Address of President Macapagal at the Rice and Corn Production Contest Award Ceremonies Address
of**

**His Excellency Diosdado Macapagal
President of the Philippines
At the Rice and Corn Production Contest Award Ceremonies**

[Delivered on August 23, 1962]

THE RICE PROBLEM

THE SUBJECT of today's rites is of outstanding significance to the life of the nation. Despite the efforts periodically brought to bear on the problem by the government, the recurring shortage on foodstuffs, principally rice, fish, milk, meat, and poultry, remains one of the country's most crucial problems. Consumers usually pay high prices for rice and corn, the main staple foods, while on the other hand the producer barely manages to recover his cost of production. How to produce enough of the cereal to bring its price down to the easy reach of the common people and at the same time ensure the producer a reasonable return for his labor and investment, would be a fair statement of the rice problem.

It is a paradox that this land of ours, naturally endowed with fertile soil and abundant rainfall suited for the raising of crops and livestock, must persistently be confronted with the grave national problem of under-production in its foodstuffs, principally rice and corn. Production has not increased proportionately with the growth of population. As a result, the consumer must continue to pay a high price, while the producer continues in a state of difficulty. To achieve self-sufficiency in rice, the country must adequately increase its rice production every year. With increased yield, the producer reduces his cost of production and, therefore/can afford to sell his palay at a lower price. This state of affairs will continue as a grave disease gnawing into the body of the national existence unless positive and bold action is taken immediately. This problem must be faced with determination and fortitude. It is ironical to talk of progress and prosperity if we cannot even provide the rice and corn that our people need in their daily lives.

The Administration is committed to the objective of increased food production. It will exhaust its resources toward this goal. Present rice areas are considered more than sufficient. As a matter of fact, the marginal portion of the present rice area can be released from rice and devoted to other profitable crops if only the productive areas can be made to produce substantially more through the application of modern and improved farming methods; such as, the use of irrigation water, better seeds, fertilizers, control of pests and diseases, weeding, and better methods of planting.

The paramount solution is to make the hectare produce more than what it usually does. To this end the Administration will see to it that more irrigation systems are constructed. More support will continue to be extended toward the multiplication of newly developed high-yielding varieties of seed and their distribution to the farmers at nominal cost. More funds will be made available for the procurement of fertilizers for resale to as many farmers as possible at subsidized price. To minimize the depressing effects of pests and diseases on crop yield, their control will be given continued and prompt material support. The Administration will see to it that scientific research is intensified with the aim of discovering new and more efficient methods of production.

The education of the farmers on the improved and scientific ways of farming will be accorded maximum attention and material support. The urgency of this undertaking is accentuated by the apathy of the Filipino farmers toward new ideas. Under this condition, farmers' education is naturally a slow process. So, the sooner and the more intense the national effort is geared to the acceleration of the national progress along this line, the better for the country and our people. This Administration is at present in the midst of an expanded public information campaign aimed at indoctrinating more people in the tenets of modern and efficient farming practices. This program also embraces corollary undertakings such as forest conservation and reforestation which are intended to minimize devastating floods and their resulting adverse effects on farm production. More barrios and farmers must be reached by the government men if the rate at which farmers assimilate new ideas were to be accelerated. With constant contact

between the farmers and the government men, a more rapid change is expected from the obsolete and inefficient ways of production to the improved and scientific methods.

Floods which occur rather regularly result in millions of pesos worth of crop losses. The latest floods in Central Luzon, Eastern Visayas, and Southern Mindanao had caused millions of pesos worth of crop losses, especially in rice and corn. The Administration has taken prompt action aimed at minimizing the adverse effect of these inundations through the strengthening of the flood control and forest conservation and reforestation programs of the government. Meanwhile, affected areas will be extended aid particularly in the form of seeds at cost. More government men are assigned in the affected areas in order to intensify the extension of technical guidance to the farmers so that with improved farming practices they could recoup their losses and thus rehabilitate themselves as soon as possible. The Social Welfare Administration and other relief agencies attend to the more immediate needs of the victims for food, shelter and clothing.

The networks of farm-to-market roads will be expanded to reduce considerably the depressing effect of high transportation cost on increased farm production. The accumulation of agricultural surpluses in certain areas resulting in low prices and income for the farmers is intended to be remedied. Cooperative marketing efforts will be intensified primarily to enable the farmers to get better prices for their products. The rice procurement and distribution program of the Government is working hand in hand toward the goal of better income for the farmers and reasonable consumers' price for the masses of the people.

The Administration fully realizes the positive role of supervised farm credit in the development of farm production and income. The progress so far achieved in this direction by the government-supervised and rapidly growing rural banks, the ACCFA, and other financing agencies will justify more vigorous action along this line. More participation from the private sector, as exemplified by its role through the rural banks and other private banking institutions dealing on agricultural financing, is being encouraged.

The Rice and Corn Production Contest is a corollary project to the national food production effort of the Administration calculated to spread the benefit of better farming. I congratulate the members of the National Rice and Corn Production Contest Committee who have painstakingly guided this contest. I congratulate as well the farmer winners of the contest who have proved the attainment of record rice and corn yields heretofore considered practically impossible. These outstanding achievements in rice and corn production are most gratifying, to say the least. They should leave no doubt in our minds that on the adoption by the Filipino farmers of improved and scientific methods of production in place of the age-old inefficient methods they have been used to, lies the early attainment of the national goal of self-sufficiency in rice and corn. Close to 2500 rice and corn farmers have demonstrated that through industry and science, increased farm production and income is a natural consequence.

The Administration is squarely behind the objective of the rice and corn production contest. Today, I will therefore issue a proclamation extending the life of this national undertaking for the next three years.

To give more impetus to the national food production campaign, I will also issue on this opportune day an executive order creating a National Food Production Campaign Committee to be headed by no less than the Secretary of Agriculture and Natural Resources and the Secretary of Education.

As a parting thought, I reiterate the burning obsession of the Administration in the attainment for all our people of a fuller and happier life in the years to come.

In all sincerity I appeal to each and every one of you to help spread the tenets of modern farming to those of our farming population, farmers and landowners alike, who have continually ignored the march of time and persisted in their antiquated ways of farming. Everyone will realize that much of the needed material resources are available to them. What is needed most is their determination to improve their lot.

If during my incumbency, I shall have succeeded in achieving for our people substantial progress in their aspirations for food, clothing, and shelter, I shall consider my administration and my lifelong endeavor a success.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila :
Bureau of Printing.

Address of President Macapagal at the ceremony for the laying of cornerstone of New Balintawak Monument

**Address
of
His Excellency Diosdado Macapagal
President of the Philippines
At the ceremony for the laying of cornerstone of New Balintawak Monument**

[Delivered on August 26, 1962]

THE MEANING OF BALINTAWAK

ONE morning sixty-six years ago today, in the backyard of a nipa shack somewhere in these hallowed grounds, a young, daring Filipino in barong Tagalog, armed with a bolo and a revolver tucked to his waist, stood before his thousand followers and tore a piece of paper. Casting the mutilated shreds of paper, the young Filipino leader, his voice trembling with emotion, shouted: "Long Live Philippine Independence!" That patriotic battlecry not only resounded throughout the length and breadth of the land but also helped win for us eventually our political freedom.

That young, courageous Filipino was Andres Bonifacio, the Great Plebeian, who founded the Katipunan out of a burning obsession to liberate his people from political, social, and economic bondage. The nipa shack which was the setting of that historic occasion belonged to Juan Ramos, the son of Melchora Aquino whom we know as "Tandang Sora," the gallant Mother of the Revolution. The piece of paper that Bonifacio tore to pieces was not just an ordinary document. It was a *cedula*, which symbolized the chain that shackled Filipinos to a life of subjection and misery under foreign oppression. And the soulful cry of Bonifacio which resounded throughout the land was the first determined assertion of our people's desire to be free.

There had been other armed struggles put up by Filipino heroes before this epochal Cry of Balintawak. But none had been as widespread, none had been as consuming, as the inspired movement which Bonifacio sparked. Our history is replete with accounts of earlier uprisings which demonstrated our people's will to be free, most of which were chiefly aimed at retrieving lost freedom and happiness.

Among these bloody expressions of our desire for freedom were the Revolt of Lakandula which took place in Manila in 1574, the Tondo Conspiracy in 1587 and 1588, Ladia's Revolt in Malolos, Bulacan, in 1643, and Maniago's Revolt in Mexico, Pampanga, in 1660 and 1661. There had been other uprisings, violent demonstrations against colonial domination, which scorch the pages of our history. These included Magalat's Revolt in Cagayan in 1596; the Gaddang Revolt, also in Cagayan, in 1621; the Caraga Revolt in Mindanao in 1630; the Cagayan Revolt in 1639; the Revolt led by Sumuroy in Palapag, Samar, in 1649 and 1650; Malong's Revolt in Pangasinan in 1660 and 1661; Dagohoy's Revolt in Bohol, which began in 1744 and ended in 1829; the Ilocos Revolt led by Diego Silang in 1762 and 1763, and the Palaris Revolt in Pangasinan from 1762 to 1764. These armed uprisings were generated by abuses, high tribute, and forced labor imposed on our forebears by the colonizers.

But there had also been a few revolts triggered by agrarian conflicts, such as those which erupted in Bulacan, Batangas, Cavite, Laguna, and Rizal in 1745 and 1746. There were four other recorded revolts which had religious complications, such as Tamblot's Revolt in Bohol in 1621 and 1622, Bankaw's Revolt in Leyte in 1621, Tapar's Revolt in the municipality of Oton, Panay, in 1663, and the uprisings led by Apolinario de la Cruz in Tayabas in 1840 and 1841. These revolts were, however, small in scale. Consequently, except in the case of the struggle led by Dagohoy, they were quickly and easily suppressed by superior might.

On the other hand, the resistance movement launched by Bonifacio and his thousand followers in this historic place exploded into a massive force which was soon to crush the armed might of colonial Spain. Barely two years after Bonifacio uttered his famous cry here, the independence of the Philippines was proclaimed by another youthful Filipino leader, General Emilio Aguinaldo, in Kawit, Cavite—thus marking the successful culmination of the gallant Filipino struggle for freedom and liberty. The sixty-fourth anniversary of this momentous climax of the Cry of Balintawak was observed by our people for the first time last June 12 as a token of the nation's profound gratitude to

the countless valiant Filipinos who sacrificed their lives that we the living might enjoy the blessings of justice and independence.

Today the Cry that signalled our freedom sixty-six years ago is still thundering all over the length and breadth of our country. Bonifacio's voice still rings loud and clear. We the living must understand and appreciate its real message. Let us not believe that because we have become politically independent, that because we have acquired our national sovereignty and our cherished liberty which has been hallowed and purified by the blood of Bonifacio and our other heroes, we can become complacent. After suffering from generations of fear and subjugation, let us not be content merely to see the Filipino Flag wave proudly in our skies to proclaim that at last we have become free.

I enjoin you not to be carried away by illusions. The fight is far from over. We must remember that the revolution led by Bonifacio, the bloody uprising fanned by the sagacious writings of Dr. Jose Rizal, Apolinario Mabini, and Jacinto, was dictated basically by the clamor of our people for social and economic reforms. This was eloquently and brilliantly expressed in the deathless novels of Dr. Rizal—the *Noli Me Tangere* and *El Filibusterismo*. It will be recalled that in the constitution of La Liga Filipina, the forerunner of the Katipunan, this clamor of Filipinos for social and economic reforms was categorically expressed. In fact, two of the five basic objectives for which the Liga Filipina was organized were for “mutual protection in every want and necessity,” and “encouragement of instruction, agriculture, and commerce.”

These socio-economic goals were further emphasized when the brains behind the society adopted six fundamental objectives for which the funds of the Liga Filipina would be spent. These noble ends were:

First, the member or his son, who, while not having means shall show application and great capacities, shall be sustained;

Second, the poor shall be supported in his right against any powerful person;

Third, the member who shall have suffered loss shall be aided;

Fourth, capital shall be loaned to the member who shall need it for an industry or for agriculture;

Fifth, the introduction of machines and industries, new or necessary in the country, shall be favored; and

Sixth, shops, stores, and establishments shall be opened, where the members may be accommodated more economically than elsewhere.

It is therefore evident that the Philippine Revolution was launched by Bonifacio and our other heroes not merely to attain political independence but simultaneously to achieve social and economic emancipation for our people.

Bonifacio's tearing of the *cedula*, which set off the fires of the Revolution, was dictated by circumstances prevailing during his time. He and his handful of gallant men had to do it, for the *cedula* symbolized the social and economic enslavement of our people at the time. Significantly, the present is to a large extent similar to that historic chapter of our national existence, for today there are *cedulas* to be torn to pieces; there are economic chains of bondage that must be broken. Our people must enjoy the fruits of social and economic stability which is the spirit and the very essence of political sovereignty.

Committed to the development of the nation and the progress of our people, the present Administration launched a nationwide socio-economic program shortly after I assumed the Presidency. Like the Cry in Balintawak, this five-year program is the first massive effort launched by the government geared to the creation of more employment opportunities for our countrymen to enable them to improve their lives as components of our society, and the production of more staple foods to enable our people to attain self-sufficiency. The lifting of controls and the institution of corollary protective measures were undertaken by the Administration to improve the national economy. If there are certain difficulties which are often magnified to unreasonable proportions by some people,

these are temporary repercussions which we must learn to bear as the economy progresses and continues to assume a posture of stability.

The *cedulas* which we are called upon to tear to pieces in our time are the obstacles thrown on the way by powerful economic blocs and saboteurs. These are impediments that we must overcome. We must not, and cannot, allow the forces personified by a number of unscrupulous alien groups and local robber barons to subject our country to economic strangulation. The Administration has been exerting efforts to weed them out, for the blessings of justice, liberty, and independence guaranteed by our Constitution must be enjoyed not by a few but by all the Filipino people.

I came here because the people of this community are the same people who had drunk deep of the foundation of revolution, and they, simple and unsophisticated though they are, represent the conscience of the nation today as their forbears did during the darkest days of the colonial regime. For I want to bring to the consciousness of our masses the pertinence of my administration's objectives to those for which so many lives and so much property had been spent during the revolutionary era. It is for you and the people in thousands of communities throughout the country, which you typify, that we are daring the mighty today—raising our voices and our actions—as Andres Bonifacio and his fellow Katipuneros had dared the mightiest of the mighty with their cry and their bolos! It is for them that I am determined to clear the ground and cleanse the atmosphere so that they may enjoy to the fullest their right to freedom and security and the opportunity to seek economic betterment and happiness in a regime that is just and hospitable to all, especially to the poor and the underprivileged who constitute the bulk of our population.

I am confident that a community like this would appreciate more the significance of what the Administration is trying to do today and be prepared to lend its support against that which I am fighting, against privilege, against vested interests, against unscrupulous and socially entrenched position, and against selfish power. It is not easy to storm the citadels and ramparts of concentrated economic might and political power and I know it—you know it from what you see today in the vilification and abuse to which I am being subjected—but, like Bonifacio and his small band, whose cause in the end triumphed, I pledge to continue with my crusade at whatever cost to me. I know we will win, for our aims are legitimate and just, our motives pure. Nothing can stop me now, for if I should stop or fail, the interests of the people as a whole will suffer and our nation will continue to be a victim of iniquitous enslavement. The poor will remain poor and become even poorer while the malevolent rich will become richer and greedier, exploiting to their advantage the helpless among our people, and denying us all our very patrimony.

The magnitude of the challenge of socio-economic development which faces us today cannot be met successfully by one man alone. It demands no less than the concentrated efforts of all sectors of our population. It calls for a total national effort as massive as the movement which Bonifacio and the Katipunan generated. We cannot allow our first determined and organized bid for socio-economic emancipation to suffer the same tragedy that befell the small and isolated revolts staged by our forefathers.

On this momentous occasion which marks the sixty-sixth anniversary of the Cry of Balintawak, I therefore call upon all our countrymen to dedicate their efforts and their energies to the great task at hand so that, like the patriotic movement started by Bonifacio in Balintawak, our present endeavor for socio-economic emancipation will lead to a proud and glorious climax that will mark the liberation of the Filipino common man from the chains of his poverty.

Source: **Presidential Museum and Library**

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Radio-TV Address of President Macapagal in the program, “President Macapagal Speaks to the Masses”

**Radio-TV Address
of
His Excellency Diosdado Macapagal
President of the Philippines
In the program, “President Macapagal Speaks to the Masses”**

[Delivered on August 28, 1962]

THE BIG DRIVE

TONIGHT, we shall dwell on the unrelenting drive undertaken by the Administration against venalities in the past two weeks.

This drive had, in fact, been long delayed. Even before we took over the Administration last January, we had scheduled a big drive against top malefactors. We announced that we would start the prosecution of big offenders last January 2 after we were assured by the former secretary of justice that there was evidence to start on two or three big cases and that he would file subsequent ones every week thereafter. But after the case against Cosme Garcia for violation of the corporation law was filed, no other cases were filed by the former justice secretary despite his subsequent assurance that more would be filed once a month. He mentioned three prominent officials against whom, he informed us, there was evidence for criminal prosecution, which he was going to file, but until his separation from the service, he had not filed the cases. Wondering over this matter to the present moment, we can only surmise that the concentration of the Department of Justice on one deportation case prevented attention to other cases. Even in this deportation case, the work was incomplete because a prominent and culpable Chinese alien was inexplicably excluded from the case.

In these circumstances, it was only after the termination of the Stonehill deportation case, which unduly paralyzed the justice department for several months, that the Administration could undertake its delayed drive under the new leadership at the Department of Justice.

In this drive the Administration has taken action against a number of prominent persons, both aliens and nationals. For the smooth and successful implementation of our socio-economic program, tackling the problems of corruption had to be expanded to a general reform movement that would emphasize the necessary values that can assure our goal of free enterprise, the essence of which is the effective availability of fair and equal opportunity to all.

Our actions were in accordance with pledges that we made in our campaign for the presidency. It is well known that our economic program based on decontrol and free private enterprise was a campaign pledge. In addition, we made certain pledges in the moral and social field. Since we have become accustomed to say what we mean and mean what we say, these pledges were made not to be forgotten but to be fulfilled upon our election to the presidency.

In the moral field we recall having pledged that, “If Divine Providence and the people should will that the LP be entrusted anew with the direction of the destiny and affairs of our people with me at the helm, our people should know now that the country faces an era of reforms.

An improved or a better administration is not enough. Nothing less than a national overhaul or comprehensive reform to bring about good government, prosperity to all, and a better life for the poor, will suffice.” (Radio speech, Nov. 28, 1959.) Specially, we pledged that “What is needed in a demonstration of sincerity in dealing with graft is to mete out the law upon the big grafters, not only the small ones.” (Speech at the U.P., Oct. 23, 1959.)

In the field of social reform, we declared as follows:

“It is sometimes said that it will make no difference in the lives of the people if the Nacionalista Party or the Liberal Party is in power, if President Garcia or Vice-President Macapagal wins in 1961. Those who say or think so are in serious error.

“The LP under its present leadership represents change—change for the better.

“Our cause is the need for a new economic and social order in our young nation. After we win in 1961, there will result a vast difference in the lives of the people.

“The old system of a few monopolizing the benefits of the government and the wealth of the land will end. The old system of politicians using the power of the people to enrich themselves, their families and their friends will end.

“A new socio-economic era will open, in which, after dishonesty in the government has been destroyed as a first step, the economy will be organized in order that the politicians and their friends will no longer abuse the power of the people for selfish aggrandizement but that the gates of better life will be opened to all the people.

“This is a need of our young Republic that must be realized at all costs. This is a cause that our enemies cannot stop, that no one can stop. The Liberal Party under its present leadership has dedicated itself to this cause and it will not be stopped in its course. Because we are convinced to the core of our soul that we represent this irresistible cause of our misruled and exploited people, let not our enemies and their agents believe that their intrigues, maneuvers, ill-gotten money, or anything that they can do, will stop us. Against all calumny, intrigue, deceptions, and all hindrances that they will put in our way, we shall move on fortified by faith in God and in our righteous cause until we achieve the victory of the people and of their right to a better life in freedom.” (Speech at airport, Dec. 6, 1960.)

Having made these pledges to the people we have endeavored to fulfill them, otherwise our long and arduous campaign for the presidency and our lifelong struggle would have been in vain. This drive against big-time grafters and socio-economic roadblocks is a painful one but we have braced ourselves to make all necessary decisions, no matter how hard and painful, for the sake of our people in this lonely post that we have accepted from them.

It is alleged that in the Administration’s drive, we have proceeded only against Nacionalistas. This is not true. In our drive, we look only at the merits of the case and not on partisan affiliation. We have proceeded against prominent foreigners and Filipinos. Among the foreigners, partisan affiliation is irrelevant because they cannot participate in politics. Of the three Filipinos, two are Nacionalistas and one is a Liberal.

But even if it were true, although this is not the fact, that all were supporters of the former President, this cannot be taken against us. In the 1961 election, most of the prominent figures in politics and business supported the former President and only few supported us because this took courage and strong civic spirit. Many of those who supported the former President belonged precisely to circles who were ready to compromise with venalities by supporting a corrupt administration. Our campaign against wrongdoers can therefore find proper objects for action mostly from among those who were willing to prolong a graft-ridden regime and not from among the generally principled elements who stuck their necks for the opposition.

In undertaking the drive, it was necessary to follow policies and basic guides based on justice and sound principles in the attainment of our objectives. In our Administration, we do not act arbitrarily but follow basic guides. One guide to which we subscribe is that which should bring about cooperation and harmony between the two political branches of the Government, Congress and the Executive. No guide in this field had been attempted in the past, to the detriment of the public welfare. Now that the country is steadily moving towards crystallizing correct values, it would be for the nation’s good to follow an orderly and rational procedure between congressional and executive investigations.

In conformity with the separation of powers, interdepartmental courtesy and the lessening of politics, each Branch should in the first instance conduct its own investigation of officials under its jurisdiction. Congress should in the first instance conduct investigations affecting its members while the Executive should conduct investigations of executive officials. Once the Senate or the House of Representatives has initiated an investigation affecting its

members, the President should wait until the Congress finishes its investigation before he takes his own action concerning the same investigation, and only, if he should not be satisfied with the Congressional investigation and action. Similarly, when the Executive has initiated an investigation of executive officials, the Congress should conduct a similar investigation on the same subject matter after the Executive has completed its investigation, particularly if Congress would not be satisfied with the Executive investigation and action. For both Branches to conduct concurrent investigations over the same subject-matter would not only produce confusion but provide frictions and animosities that can be needlessly injurious to the national interest.

In our last broadcast, we enunciated the basic guide followed by the Executive in meeting the problems of graft and corruption, namely, that while we would undertake punitive action on violations done in the past, particularly where there exists significant evidence or evidences to support a criminal case, we are most concerned with preventive action that would deter the recurrence of such wrongs and offenses under our Administration.

Apart from the justness and soundness of this policy, it was the only approach possible because of the numerous wrongs committed during many years of moral decadence and abandon. If we were to attend to all the cases where there exists significant evidence or to attend to each exhaustively, it will take us longer than our term of office to undertake this task alone comprehensively and thoroughly to meet the requirements of justice and equity.

This is the reason why we could not afford to be concentrated too long on just one deportation case. While those who criticized us sought political advantage in the case, we have regarded the case in the context of a whole task of which it was merely one of numerous and similarly significant cases. In our accustomed candor, we say that those who would persist in tying up the time of the Administration and of the nation on one case are either moved by the narrow political outlook of the past or have very little idea of the magnitude of the task of moral, economic, and social reconstruction in which this Administration must accomplish with maximum results during its limited period of mandate from the people.

Because there are so many cases of venalities supported by significant evidence and it being impracticable to attend fully to each and all of them, it became imperative to select a few exemplary ones classified into categories relevant to our objectives. Having determined these categories, the step was to select the cases that would be most effective in bringing about the necessary change of thinking among our people and in deterring the perpetration of similar wrongs in the future.

The main obnoxious activities may be categorized into five for foreigners and two for nationals. Among foreigners, the categories were (1) aliens who organized networks of corruption to advance in business, to which category Stonehill, Robert Brooks, and Peter Lim belonged; (2) former aliens who, although not weaving elaborate webs of corruption, engaged in venalities to promote their business interests, to which group were included Ernesto Ting and Ko Keng; (3) businessmen who engaged in profiteering like Ti Bio Suy; (4) foreigners who evaded the payment of due taxes, like Vicente Koh, and (5) foreigners who participated actively in partisan politics, which is prohibited by law, like Robert Stewart.

Among the nationals, the two categories are (6) those who have utilized organized political power to build business empires and vice-versa, to which category the Lopez brothers pertain and (7) those who have misused their public trust to amass wealth, to which group former Speaker Jose Yulo belongs.

We submit to our people that these types of nefarious activities must be discouraged if we are to succeed in our ambitious socio-economic program based on free enterprise which should make available to all businessmen and to all citizens equal and fair opportunity to advance not through unfair tactics but according to the merits of everyone.

Let us say a word or two about the selected categories. The groups involving profiteers and tax evaders are clear enough to need added comment. Because of the shift from a controlled economy to free enterprise, a sense of discipline and responsibility is demanded of the business community whose opportunities for profit have been expanded by the new system of freedom. Those who would engage in profiteering would violate this duty and would be rigorously proceeded against. Likewise, the need for bolstering revenues for social overhead in the economic

program and for social services, through a tax collection system based on integrity and equity, makes it imperative that tax evaders should be strictly dealt with.

On the first alien category, we say that we should stamp out the unholy alliances between powerful economic groups and strategically-located government officials who not only facilitate frauds against the public treasury, but also enable the untrammelled illegal operations of unprincipled economic saboteurs. It is with this aim in view that Stonehill and Brooks, as well as Peter Lim, had been deported and those who had kept unethical relations with them had been given the choice of resignation from office or investigation for charges based upon their improper dealings with the Stonehill cabal.

On the second category, we should point out that former aliens who had obtained Filipino citizenship in order to take advantage of the rights reserved for our citizens, and this in a corrupt way, should be shorn of their undeserved status as Filipinos and later deported. This is necessary because in flagrant violation of our laws, they have prostituted the national economy and, while remaining aliens at heart, have made full use of privileges which would not have been available to them had they not unlawfully become citizens. Persons like Ernesto Ting and Francisco Cokeng have no right to be one of us; hence, their kind will be proceeded against by this Administration with vigor. As long as the group which they typify exists, we cannot hope to succeed completely in our program of social and economic development.

On the fifth category, aliens who interfere with our political life and would impose their political choices upon us should be removed from our midst. Their presence and activities here are an insult to our national dignity and inimical to our national security. They can sow seeds of dissension to promote their own self-interest, in the hope of reaping profits from the internal turmoil which would follow. Equipped with powerful means of distorting facts, they interfere in our elections and political activities. It is for this reason that Robert Stewart is now facing deportation proceedings, and those who, like him, will meddle in our internal political life will be similarly dealt with.

In the selection of the party to be prosecuted under the category of aliens intervening in a partisan way in Philippine elections, the Department of Justice chose Stewart because it is of public knowledge that he openly and brazenly supported presidential candidates since 1953. Other foreigners may have offended the law prohibiting their electioneering but they appear to have been discreet about it, indicating some deference to our laws. Stewart has chosen to be different—the justice department found that he had intervened in Philippine elections openly and brazenly, utilizing his radio station and hiring commentators for the purpose, as if he could mock at the country's laws with impunity.

On the first Filipino category, we declare that the wealthy should not be allowed to amass more wealth through political power, dubious business practices, and other illegal means. The Lopez brothers, with all the wealth that they already possess, and taking advantage of their political influence, have availed themselves of our Government institutions to enhance their financial fortunes.

The Lopez brothers are typical of those who organize political power and weave a network of influence to serve their business interests. At a time when conditions of equal and fair opportunity are needed to give the people at large a chance for advancement, the existence of powerful vested groups entrenched in political power is inimical to the general welfare. Through the power of the Lopez group in the Senate, despite the numerical plurality there of the Administration party, the legislation needed for a full and fully-safeguarded decontrol program could not be enacted in the last congressional session. Through their admixture with the sugar industry which is facing a crucial future, measures for full assistance to the industry have been impeded. Through their incursion in banking activities, for the financing of their vested interest and high-finance activities, the banking system which is vital to economic reconstruction has become polluted and less receptive to invigoration.

One of the counts cited by the Department of Justice in the case against the two leaders of the Lopez vested interest group, that of acquiring more than 44,000 square meters of PHHC land that was intended for the poor, exemplifies the conflicting interest of this group with the welfare of the common man.

In brief, should the dominant position of the Lopez group in our political and economic life be given up, the result will be the removal of a roadblock to the accelerated progress of the Nation's socio-economic program and the acceleration of the attainment of more blessings from a prosperous life by all, including the Lopez group themselves, minus their privileged and unwholesome position in the politico-economic life of the country. Despite all the power at their command, therefore, our duty to the people has left us no alternative but to institute immediate proceedings against them.

On the second Filipino category, we believe that those who, mainly by abuse of public office and influence, had in the past been able to amass wealth unduly should be made to restore their improperly gotten gains. This should serve as a warning that no man in this and future Administrations should take advantage of his position by unduly enriching himself. For this reason, action has been instituted against former Speaker Jose Yulo. The concentration of wealth in a few hands is inimical to the general welfare, and it is worse when such wealth is acquired through improper means.

Our decision to take action affecting Mr. Yulo was a painful one because he had been a valuable leader of the Liberal Party but, in the discharge of our duty, we must apply the law to both the rich and the poor alike and to both colleague and foe alike. The fact that his offense took place way back in 1948 is added reason why action must now be taken against him before time perpetuates the moral and social injustice involved and prevents completely a redress for the offended people. The Administration's action in the Yulo case serves to underscore the fact that the evils that plague our country today and which, by the people's mandate, it is our job to curb and overcome, had their roots, insofar as we assess them, in the general moral breakdown which shook our people under the Japanese occupation during the Second World War. Thus, corruption, misuse of public trust, unduly built economic empires, unconcern for the people's welfare, and other forms of venalities have been going on unchecked, despite repeated verbal avowals of reform, from the post-war reestablishment of the civil regime to the present time. An effective implementation of an authentic and earnest moral regeneration program, therefore, requires that it be not confined to the artificial veneer of present acts but should sweep through its deepest sores that have festered across the whole post-war years to the present day.

We wish to point out that the Administration seeks primarily the taking over by the State of the 4,778 hectares of agricultural land for distribution to the landless out of a total of 7,000 hectares which constitute the Canlubang Sugar Estate. The Administration is willing to allow Mr. Yulo to keep the sugar mill and the 2,300 hectares on which the mill and its accessories are situated. This should show that in taking action against the former speaker, the Administration is not moved by rancor but by a sense of justice and equity. Out of this sense of justice and equity, we believe that the least redress to which the people are entitled is for Mr. Yulo to give up the agricultural part of the vast estate so that the said farm land may serve in the promotion of the government's social program of giving land to the landless.

Adverting back to the pledges we made during the presidential campaign, we recall having pledged to do something against the false moral values consisting of "the acceptance by businessmen of the necessity of politically and materially helping out high officials in order to obtain the needs of their business." (Speech before Jaycees, July 18, 1959.) Our action against foreign businessmen corrupting public officials and foreigners intervening in our elections is the initial step in a set of measures that we will submit to Congress for action next year, an election year, calculated to eliminate financial support by foreigners and to regulate financial support by nationals for candidates to public office, as part of a project to reduce the cost of running for public office in our country. In accordance with a constructive approach to our grave problems, we must endeavor to improve continually political practices and morality in our democracy.

Our task has scarcely begun. Even critics agree that never before has so much been done by any Administration in so short a time. We are accused of spreading terror, violating civil liberties, choosing personal enemies for purposes of vengeance. My record is the best argument against these unfounded charges. The innocent need not fear, for they will not be molested; nor the guilty, because they will be given all the opportunity to be heard.

Businessmen, whether Filipino or alien, big or small, as long as they comply with our laws and regulations, need not have to fear anything. The Administration is not against the rich but against the unscrupulous rich who injure the general welfare. We precisely wish to give wider opportunity for the inhabitants of this country to become rich

through honest toil. We shall protect and indeed encourage business ventures which contribute to the national progress and which pursue their activities in accordance with law. Legitimate business has no reason to fear; the elimination of illicit business in our country, which we have commenced to do, should be reason for legitimate business to rejoice.

We have exposed the main classes of obstacles in the attainment of our national goals and we have shown how the Administration is going to deal with them. Confident that the forces which endanger its success are no longer in a position to hamper its progress, we must now proceed with the main task of pursuing with vigor our encouraging socio-economic program.

Only today, the Associated Press has reported from New York that “foreign investment attention is suddenly hitting the Philippines” and that the reason for “the sudden scramble of foreign investors climbing on the Philippine bandwagon stems from the abandonment of foreign exchange controls and the freeing of the peso last January and the economic philosophy of President Macapagal’s administration.” (*Daily Mirror*, Aug. 28, 1962.)

The drive against venalities should now make it clear that under this Administration, no man is above the law. There will be no untouchable sacred cows. Whosoever commits a transgression, no matter how wealthy, powerful, or prominent, will not be so big as to be beyond the reach of the law. It is only in this way that real democracy can exist in our country, that there can be fair and equal opportunity to all the citizens, and that it will be possible to push through successfully a socio-economic program based on freedom.

This drive of the Administration has been handled by the President and the Secretary of Justice. We have entertained counsel but the decisions have been made by the two of us. For the protection of the public from harassment, any official or person who approaches any businessman, public official, or citizen and poses as having a part or being aware of any decision or action in this drive should be reported immediately to me or to the Secretary of Justice so that we can take corresponding action against such impostor.

We will be fair to those who will be fair to us. As regards those who, despite our selfless and conscientious discharge of our responsibility, will seek for political or other ignoble motives to be unfair to us, we shall be constrained to take defensive and adequate action in order to maintain our capability to do our sworn and inescapable duty of serving only the highest interest of our people which we have accepted as a sacred trust.

A good test of fidelity to the people is whether one, while being in the public service or in public life, has in the process materially benefited because public service is often used as a disguise and a means to material gain. On our part, we have not materially benefited from public life. We ask those who would assume a posture of superior fidelity to the people to consider whether in the process of their public career, directly or indirectly through the medium of their official position or prestige, they have not advanced themselves materially, and if they had, we venture to advance the proposition that their right to assume a righteous posture decreases proportionally to the increased level of their material aggrandizements.

This drive will mean grappling with powerful men and groups but for a good purpose. No sensible person will prefer to have enemies where he can make friends. Yet our sense of duty leaves us no other alternative than to accept the struggles inherent in a fight against men of vast wealth and power. This is because we are not fighting for ourselves, but we are fighting the fight of the people who, long being underdogs, need someone to fight for them.

Let us give a break to our people. Let us join hands to give fair and equal opportunity to the average businessmen and the common citizens. Let us make our vaunted democracy a true one. Let us uphold the principle which the Administration has set out to establish that no man is above the law so that it will become a permanent part of our system and way of life. Let us minimize politics and help one another to build a better society. On our part, having accepted the responsibility of bringing about new opportunities for a better life for all our people, with God’s grace we will not allow ourselves to fail no matter who or what stands in our way.

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**Speech of President Macapagal on the 5th anniversary of the Social Security System (SSS) Speech
of**

**His Excellency Diosdado Macapagal
President of the Philippines
On the 5th anniversary of the Social Security System**

[Released on September 1, 1962]

SOCIAL SECURITY SYSTEM

TODAY is the anniversary of the Social Security System. It is a fitting occasion for rededicating ourselves to the philosophy that inspired the establishment, five years ago, of the System, and for examining once again its social and economic significance in our society. In spite of the considerable skepticism which greeted its birth, and of the many problems and deficiencies from which it has been suffering during its growing years, we can take pride in the Social Security System as one more manifestation that society has the responsibility of protecting its members from economic want and insecurity, which includes the duty of providing for those who are disabled from taking care of themselves.

The extent of such a responsibility, specifically as exercised by the Government, has been the subject of a running controversy in the history of social thought for the past two centuries: among those who advocate a system of complete individualism and laissez-faire on the one hand, those who stand for a centrally directed society on the other, and those who place themselves in the wide range of views in between. In practice, the extent of the government's hand in social welfare has depended on national temperaments and tastes. While government-sponsored medical care is accepted as a fact of life in England, it has of late been a matter of intense political debate in the United States. As for us Filipinos, it has been said that in times of unemployment or disability our best form of social security is our relatives.

Whatever truth may be contained in that jest, it remains a matter of history that our society has rejected both extreme positions of complete laissez-faire and complete centralization. While we uphold a system of free enterprise as the most conducive to our national growth, we also have a rich heritage of welfare legislation and institutions to protect the poor, the weak, the less endowed, and to safeguard the rights of the laborers, the farmers, the sick, the aged, the disabled. Rightly do we revere President Manuel Quezon for his inspiring leadership in championing the cause of social justice. Rightly, too, do we pride ourselves in having adopted during the past half century a series of enlightened legislative acts to protect and enhance the welfare of the working man.

We must, however, recognize that our society's capacity to make such provisions depends on the general productivity of our economy, and that an underdeveloped economy is severely limited in its ability to care for those of its members who for some reason are temporarily or permanently unable to fend for themselves. This is a timely occasion for setting our views in proper perspective and for reaffirming my Administration's determination to pursue a vigorous and consistent set of policies to accelerate our country's economic growth. For our people's stake is only secondarily in welfare and relief measures; their primary and most crucial stake is in increasing, to the utmost extent that price stability will allow, the future capacity of our economy to provide in abundance those goods and services that make for a healthy, free and decent life, blessed not only with the basic necessities but with the finer amenities that modern life has to offer. It is when we have banished poverty and ignorance and our society has provided jobs and incomes to all those willing and able to work that our social welfare legislations and institution will enhance their meaning, their value, and their effectiveness in fulfilling their noble missions.

These remarks do not by any means belittle the present worth of such institutions as the Social Security System; on the contrary, they stress it. The Social Security System can in fact be a potent instrument in fulfilling both functions of providing relief benefits as well as contributing to that most critical aspect of economic growth: capital formation. I should like to deal briefly with each of these aspects.

The birth of social security in the United States during the agonies of the Depression in the 1930's was a reflection of the growing attitude that the wage-earner was not to be exposed to the impersonal workings of the market mechanism without proper policy guidance of the mechanism itself and without protecting the worker against the loss of income through the loss of employment. The protection was also extended to cover such non-market contingencies as sickness, old age, and various other forms of disability. The appeal of the old free-wheeling, each man-for-himself doctrine had been shattered; in its stead grew the strength of the philosophy that the state must assist in protecting its citizens from the afflictions of contingencies beyond the individual's control, and that in the provision of economic security to the worker both employer and employee must work as partners.

This is the very same principle underlying the Social Security System of the Philippines. It prevails on the employer to help provide for the worker's future needs, and on the employee to save for those needs and to develop a sense of self-reliance. Its progress since it modestly started functioning in 1957 has been impressive. It has paid out a cumulative total of more than 13 million pesos in death, disability, sickness and retirement benefits, covering more than 700,000 employees and more than 41,000 employers. Its investments now add up to more than P189 million of which P27 million are in housing loans.

The mention of its investments should underscore the fact that the SSS is not only an instrument for the social amelioration of its participants but is one of the institutions providing an important requirement of our future economic growth. The task of increasing our nation's productive capacity depends on how much capital we can muster from domestic personal and business savings, from taxes, from foreign loans and grants, and from the expansion of domestic credit. The vulnerability of a country like ours to inflationary pressures prompts us to direct much of our search for investible capital to non-inflationary sources. In tapping such sources of savings, financial institutions like the SSS can and should play an increasing part. In its five years of operations, the System has already proven itself an effective agent for mobilizing the small individual savings of a large number of sources and collect them into one large pool of investible funds. By actually investing and lending those reserves not needed for current operations and payments, the System is in a positive way of contributing to the urgent task of increasing our national productive capacity.

In both of its operations—the payment of benefits and the marshalling of savings for investment—the Social Security System shows a great promise of even greater successes in the future, especially under the able management of its present officers. They have set a number of ambitious and laudable targets for the future, such as the expansion of the System's insurance coverage, the establishment of unemployment benefits, and the improvement of the management of the whole operations.

In these tasks the SSS can count on the wholehearted backing of my Administration. There are a number of points, however, which I should like to make. The activities of an important financial institution like the Social Security System, as of various other entities having to do with the improvement of life of the common man, cannot be divorced from the larger tasks of promoting the whole country's economic growth. They are interrelated; they are inextricably linked. The goal of expanding the coverage of our social insurance system is praiseworthy in itself, but will be far easier and more meaningful if our economy can manage to generate additional jobs every year to absorb more and more of our unemployed laborers. Unemployment compensation, which again was a product of depression-oriented thinking, and which today is a stabilizing force in industrialized countries subject to the ups and downs of the business cycle, assumes a different context altogether in an economy in our own stage of development, where unemployment is not quite a cyclical but a chronic or structural phenomenon. I urge that a thorough-going analysis be made of all the implications of unemployment compensation in the Philippines, its applicability, its workable forms in our setting, and its possible effects on the economy.

The problem of unemployment compensation must be seen in the light of the larger problem of wiping out unemployment from our society through investments in various projects and industries.

We have come to a vital decision-point in our history. This Administration has been acting and will act to execute our people's decision to tackle the chronic problems of our society at the roots. We can no longer afford to waste any effort nor time; nor can we delay in giving the motion of our economy a definite, positive and consistent direction. This Administration is now in the process of drawing up a systematic strategy for hastening our country's development; we are departing from the haphazard methods of the past. We are ripe for change; we have among our

people the necessary talent, the drive, the imagination, the persistence, the qualities of business and social leadership to carry out our national resolve that poverty and unemployment are social evils with which we shall no longer live with but which we shall seek, through a massive national effort, to eliminate. We cannot overemphasize now, and we shall stress again and again, the enormous tasks that await us, and the heavy social responsibility we all share in forming for ourselves and our children the good society, a society abundant with the needs and amenities of life and the opportunities for cultural, intellectual and spiritual enrichment for each and all of us.

We have chosen this occasion to dwell on the urgency of pursuing the large goals of our society and of viewing our own roles in terms of those goals. This is because we celebrate today the anniversary of an institution which, during its fledgling years, has demonstrated the vital part it plays not only in providing for the needs of the sick, the retired, the disabled, and the survivors of the deceased participants in our social insurance system, but also in helping to fuel the engines of economic growth by pooling small savings into large investments. To the SSS I wish more success, and to its officers I give my congratulations for a job well done and my wishes for further success in their management of one of our society's proud creations.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal at the ceremony for the turnover to the new Chief of Staff of the AFP

**Address
of
His Excellency Diosdado Macapagal
President of the Philippines
At the ceremony for the turnover to the new Chief of Staff of the AFP**

[Delivered on September 1, 1962]

EQUALITY BEFORE THE LAW

TODAY we are witnesses to an event which would normally be significant enough, a changing of the guard in a most vital outpost of our home defenses from an outgoing to an incoming chief of staff but which now, under a national setting in which it is being done, bears extraordinary and even historic significance.

This ceremony is normally significant enough because it is at this post where the eyes of our people are turned for assurance that all is well in the fort. It is at this post where the eyes of even the humblest second lieutenant are turned with the hope that some day he may also be called to be the No. 1 guard of our defenses.

And it is also at this guard where the eyes of the enemy are turned, perhaps even at this very moment, for signs of weakness in our camp.

You will all readily understand, therefore, that the choice of the soldier to occupy the post of chief of staff of the Armed Forces of the Philippines is a crucial decision.

It has been more so at this stage in our history when the nation is moving, as it strives to do today, in a tremendous and heroic effort to get out of false and decadent attitudes and practices towards fresh and true values that can provide the sinews of hope and strength for our people who understandably aspire in a fast-moving world to prosperity and greatness.

There has been decadence in our land in past years. Among the vital sores of this decay is a crucial failure of the rule of law which is fundamental in a democracy. The rule of law which is the guarantor of the equal opportunity which free men cherish has been nullified by the predominant system of monopoly and by entrenched personages and groups who have established and maintained a privileged position by receiving special treatment in the operation of the law.

When there is one law for the many and another law for the privileged few, democracy which we aspire to implant and maintain in our country in the soil of Asia not only becomes a farce but it conduces to the multiplication of political, economic and social injustices that prevent true progress for the country and prosperity for the people.

In our administration, therefore, we have not shirked the duty of assaulting the strongholds of privilege in order to maintain the primacy of the law and the fair and equal opportunity for all citizens which the law upholds and protects. Whereas before in an empty gesture of righteousness, those who wielded the arm of the law struck invariably at the small and defenseless citizens, now in our drive for moral regeneration, we have started to smash at the big ones in their pedestal of privilege to restore the principle that in a true democracy, no man is above the law and that whosoever commits a transgression, no matter how wealthy, powerful and influential, is not so big as to be beyond the reach of the law.

If we uphold the principle of the primacy of the law in the land, it should be more so in our armed forces which are the physical guardian of our rights or liberties. A contributory cause to a past feeling of demoralization in the ranks of our military organization has been the unequal application of the law, the creation of exceptions to the law for particular individuals, which is symptomatic of the system of privilege. Upon assuming the Command of the armed

forces, therefore, we felt it our duty to enhance in our military organization adherence and respect for the law which in turn enhances discipline and morale. This policy has been applied rigorously in the implementation of the law providing for the retirement of officers. As long as the law in its present state stands, it must be applied equally to all. Apart from the difficulty of regulating exceptions to conform to reason and justice, such exceptions impair the morale of ranking officers from whom are withheld expected opportunities for deserved promotions.

A great leader of our armed forces has manifested anew in this instance his sterling qualities as a soldier and as a patriot when he expressed support for the policy of making no exceptions to the operation of the officers retirement law. We refer to the outgoing chief of staff, Gen. Pelagio Cruz, who is one of the finest soldiers of the land, second to none.

Our people are grateful to General Cruz for his stint of service as a military leader. Enjoying the highest prestige for his quality of leadership and integrity he has led our armed forces with marked excellence and distinction. To him goes the deserved love and thanks of our people and the admiration and affection of his Commander-in-Chief. He has capped his military career with honor and has thereby honored the military service with his name. To no greater glory can any soldier aspire. The Administration and I have such esteem for General Cruz that I am happy to announce that we have succeeded in prevailing upon him to continue serving our people in the administration as Presidential assistant on military affairs in Malacañang in which he shall undertake vital troubleshooting missions for the administration which call for ability, devotion to duty and integrity.

In the selection of the successor of General Cruz, we have also adhered to the primacy of the law. You will recall that upon assumption of our responsibility as Commander-in-Chief of the Armed Forces, we declared that in order to boost and maintain a high morale among the officers and men, we shall in making promotions discard favoritism and follow the criteria of seniority, merit and justice. To us, these criteria have the force of law in our armed forces. In accordance with these criteria, the decision for a worthy successor to General Cruz fell deservedly in an able and distinguished officer who, we trust, will not fail our country and people, General Alfredo Santos.

To be second in command, the decision fell on an equally fine officer, who, too, would grace the position of Chief of Staff if we could but have two chiefs of staff at one time—General Pedro Molina.

Examining the record and background of General Santos, supplemented by information from reputable persons who have known him intimately, as well as from personal observation, we are confident that General Santos will succeed in his responsibility. Having examined also carefully what critics—for all of us have critics—have to say against him, we reiterate our full confidence in the integrity and capability of the new Chief of Staff to be the leader of our Armed Forces under our supreme command.

We are told that the new chief of staff is the first integree to become one. In this connection, we wish to say that in making the choice of the new head of the armed forces, we did not make any distinction between integrees and professional officers. We disapprove of cliques of any kind in our military organization. There should be only one clique, which is the entire armed forces organization itself, to which single clique all officers, whether reserve or academy and professional in origin, should belong, with loyalty to only one organization as they owe loyalty to only one country and to only one Commander-in-Chief as the symbol of the country.

The new chief of staff, we trust, is well aware of the fact that he will have a more trying job in his hands than any of his predecessors ever had. We are in an era in the history of our Republic in which all of us will have to work harder to make up for the failings and ineptness of the past in laboring devotedly and honestly for the economic uplift of our country, providing not only a sound base for our national security but also for a richer life for our people.

We have waged an assault upon the bastions of privilege and vested interests to give a chance to the common citizens to attain an improved life. From one of them, we seek the return of unduly-gotten 4 hectares of residential land that was intended for the homeless and from the other, illegally acquired five thousand hectares of farm land for distribution to the tenants and other landless citizens. We are determined that as we engage in the vigorous development of our rich natural resources through the system of free enterprise, this bounty of our land shall not be cornered and monopolized by a privileged few but shall be spread as common blessings from God to all our people.

We have sought this same objective in our Armed Forces of opening the gates of a better life to the common man. It was therefore a source of joy and inspiration for me that I approved the increase in pay for our enlisted men. We must carry on this endeavor for the less fortunate among our countrymen. We commend General Cruz for launching a project to provide our enlisted men and their families with better quarters and housing facilities and we hereby direct General Santos to carry out this project for improved living conditions for the enlisted men and their loved ones.

Our armed forces have a grander mission today. It is more than a mission—it is a crusade or part of a national crusade. It goes beyond keeping vigil over the security of our territory. It extends to assisting actively in the successful implementation of a vast socio-economic program that we have launched for the attainment of progress and prosperity. It goes to upholding and helping maintain the restoration of true moral values within the military organization and among our people. Fundamentally, it means helping to establish and safeguard the security of effective opportunities for all our people, principally the enlisted men and the common citizens, to the end that ours shall not be democracy only in name but shall be a democracy in fact which assures not only security from aggression, not only freedom from foreign domination, not only political liberty but above all an effective security from want and to enjoy in freedom an abundant life for all our people.

We are proud of our Armed Forces and this feeling is now the bounden responsibility of the new Chief of Staff— to maintain with honor, with dignity and with reason. To General Santos we say, “Carry on, and God bless you and the Armed Forces of the Philippines.”

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**Address of President Macapagal on the inauguration of the Metropolitan Bank Address
of**

**His Excellency Diosdado Macapagal
President of the Philippines
On the inauguration of the Metropolitan Bank**

[Released on September 4, 1962]

THE ROLE OF BANKS

It is a pleasure to participate in the opening of the first commercial bank to be established under my Administration. This is an opportunity to re-state the goals that we as a nation are aiming for, the tasks that face us in pursuing those goals, and the need for us to unite freely and spontaneously in fulfilling our aspirations.

Although this is an affair of one particular organization, we would like to address ourselves to the banking community in general. The banks have a specially important role in the economic development of a country which, like ours, aspires to strengthen itself economically within a social framework where the individual is guaranteed his freedom to choose his own calling, his own areas of occupation, his own form of enterprise, subject only to the rights of others and to the limits established by law which assure fair and equal opportunity to all.

By pooling the savings of individuals and business and rechannelling them into productive investments, the great banks of such countries as England and Germany lubricated the processes of production and marketing which built them into the powerful nations that they are today. Conversely, the pattern of production in many of today's underdeveloped countries were, during their colonial days, also abetted by the lending policies of expatriate banks in colonial territories, which favored investments in the traditional export crops for which there was, in the nineteenth century, a vigorous world demand. Thus, history tells us that the banks have, in their own way, helped the industrializing countries in hastening their own growth, and the underdeveloped countries in specializing in raw materials and primary exports to meet the needs of the advancing nations.

We mention these things to show that the direction of a country's economic history—whether desirable or not—is a result of a conjuncture of factors of which the banks are among the most important.

In our own country's growth, especially in the post-war period, the part played by banks has been prominent. In the future, their decisions will help determine the rate of growth of our nation's productive capacity and will influence the structural changes that will take place in the economy. The decisions of banks to lend or to withhold funds are critical factors that help decide which industries, which enterprises, which trading activities shall appear on the economic horizon, and which shall not. We shall accordingly spell out the proper responsibilities of our commercial banking system as viewed from the perspective of the national goals which we have set before us.

The primary task that the country faces today is to increase production and employment to provide a higher income to our increasing population and to supply them with the goods and services which they need for a happy, decent life. This task being urgent, we have made it the primary responsibility of this Administration to provide the necessary leadership in mobilizing the resources of the country towards this end. We cannot afford to waste either our time or our resources; we must achieve the most that we can with the means we can muster. We have therefore drawn up and presented to the people an integrated socio-economic development program.

This Administration is now in the process of implementing a consistent program with two broad projects: 1) maximizing the benefits to be gained from the disposition of public funds to eliminate the wastes, inefficiencies, and haphazardness which result from the absence of a will to impose a common set of priorities; and 2) to provide the proper climate for private business to engage in its functions of developing the country and its resources.

The country should allocate its resources in a manner that would maximize the benefits to our people. Accordingly, we aim to increase the production of those commodities that constitute an important part of the wage-earner's

budget. We aim to increase the available services for which the common man has a need, such as electric power, water supplies, health facilities and schools. We aim to increase the efficiency of our productive processes, both in agriculture and industry, to conserve and develop our natural resources, and to increase the stream of future investments. We aim to pursue our national economic development in as rational a manner as possible, always assuring consistency and balance between our targets and our resources.

To meet the needs of our growing population, our gross domestic product must increase at a compound rate of 6 per cent over the next five-year period. This means that gross domestic investment must increase from the present rate of 12.8 per cent to 16.1 per cent of gross domestic product. To keep our growth within non-inflationary bounds, it is estimated that a rate of domestic savings of at least 14.8 per cent of gross national income should be generated, with the rest of our investment requirements to be covered from external sources.

There are two broad manners in which the commercial banking system lubricates the process of economic growth. The first is by gathering the deposits of savers into large pools of investible funds. The second is by channeling these savings into loans and investments. This function of acting as intermediaries between savers and investors is an indispensable part of increasing society's productive capacity. Altho these are familiar facts, we would like to set these facts in the context of our national goals and to suggest that the leaders and managers of our banking system reorient their perspective to include not only the corporate balance sheet, which is important, but also the demands of an optimum pattern of development for the nation as a whole.

First of all, the government and the private banking system together should intensify their efforts at encouraging savings, in order to have more financial resources available to the productive sector. Our rate of savings in the past has not been altogether sufficient, and it is our job to help the public realize the critical role which their deposits in financial institutions play in the process of increasing the country's rate of growth. This Administration pledges its assistance in any plans which commercial banks may pursue to encourage the public into developing habits of thrift and entrusting their savings to the banks.

Secondly, we would earnestly ask that in their loans and investments operations, our commercial banks reorient their horizons. True, they are first and foremost business corporations, basing their decisions on profits prospects as balanced against costs and risks. Yet, because of their central position in the savings-investment process, decisions help determine how the resources of the economy are to be allocated: Which fields are to be favored with funds, and which—if the expression be pardoned—are to be starved.

Hence, the banks decide to a large extent whether or not the investible resources of the country are to be directed to the initiation or expansion of those industries which are most desirable from the point of view of the economy as a whole. Hence, the need for them to balance and temper their own interests and the interests of their business clients with a sensitive concern for the needs of the nation as a whole. This means, among others, the adoption of a long-term point of view in their lending policies. This entails taking a more positive and forward-looking approach in their allocation of loan-funds, subject always to the reasonable dictates of financial prudence and the safety of their depositors. This means, most of all, keeping their plans always consistent with the social criteria for allocating resources as the Administration may adopt and harmonizing their decisions with the long-run interests of the community as a whole rather than of particular groups. No bank should operate for the purpose of sustaining the financial activities of particular politicians or individuals.

In a free society, the Government can only set the broad guidelines for such matters as the distribution of credit. The specific decisions must be made by the private institutions themselves. This Administration will study the possibility of providing credit inducements in those fields which are most socially desirable, as well as various measures for increasing the private profitability of those fields that contribute most to the social welfare. Privileged fiscal treatment, protective commercial policies, subsidies to important but undeveloped industries, government guarantees to certain types of bank loans, building the infrastructural requirements of vital ventures are among the measures to be considered.

Our common concern, in other words, is to assure the optimum use of savings for productive investments. In their disposition of funds, both the private sector and the government have to observe a common set of national priorities.

Our private commercial banks, because of their roles as financial intermediaries, owe it to the nation to cultivate to the utmost a national-growth-consciousness.

Ours, of course, is a free society. Private business must make its own decisions. Yet free enterprise, which we uphold, by no means precludes but in fact strengthens the freedom of private business to temper its own interests with those of the nation at large. It is only through such a free partnership between business and government that we shall build the structure of a productive prosperous nation that can provide a better life for all.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal before the Manila Overseas Press Club

Address of His Excellency Diosdado Macapagal President of the Philippines Before the Manila Overseas Press Club

[Delivered on September 4, 1962]

THE PHILIPPINES IN WORLD AFFAIRS

THE two major concerns of the Administration are domestic in character—the adoption of the five-year socio-economic program and its speedy implementation, and the moral regeneration of our people. However, the various initiatives we have taken in foreign affairs, including the State Visits we recently made to Spain, Italy, the Holy See and Pakistan, would have shown that this Administration is by no means indifferent to foreign affairs and international relations. Ours being a new Administration, primacy has been given to domestic policy because foreign policy is essentially a function of domestic policy. That is to say, our basic attitudes and policy decisions in international affairs are organically related to and concomitant with the conduct of our domestic affairs. Our foreign policies are effective and sound only to the extent that our domestic policies are effective and sound.

Having already set the main guidelines of our domestic program, it is appropriate that we do likewise in the field of foreign policy. Our foreign policy aims, like our domestic policy objectives, are simple and straightforward. These are to assist and accelerate the economic and social progress of the nation, and to help ensure the freedom of our people and the security of our Republic.

To achieve these objectives, we have but one fundamental rule of action, namely, to develop relations of closest sympathy and cooperation with all friendly states of like mind and interest, for mutual benefit or for collective advantage, on the basis of respect for each other's rights, the principle of non-interference and the sovereign equality of States.

Because of its population of nearly thirty millions, its abundant natural resources, its affinities with Asia and the West, and its strategic location in an important crossroads of Southeast Asia and the Western Pacific, the Philippines belongs to the category of middle-sized States that are called upon to play a fairly important role in international affairs. In effect, we know the approximate weight of our country in world affairs and this knowledge dictates the nature and extent of our foreign policy initiatives and decisions.

Since we are not a Great Power, we are relatively exempt from the vast extra-national concerns that are the lot of those who are. We are obliged, however, to pull our own weight in the collective endeavors of the international community and of the free world. If our resources permit, we should of course try to do more than that and help those that are poorer or weaker than we are.

Further, the growing realization of the need for the inter-dependence of nations and the integration of humanity requires that we contribute all we can to the common pool of human welfare, without asking to know what our exact stake is or what is there in it for us.

We shall, therefore, continue to participate actively in the work of the United Nations and its specialized agencies, as well as in the activities of such regional organizations as the Colombo Plan, SEATO, and ASA. We are especially partial towards the regional groupings of Asian States, including the idea of a Malayan Confederation which we recently advanced. This is because such groupings constitute an eloquent manifestation of the spirit which is driving the Asian peoples to rediscover the ancient well-springs of their economic and cultural unity. This drive towards Asian unity is a virtual law of nature, and it will gather momentum as the Asian countries recover their prerogatives of sovereignty and independence and as they begin to level down the wells which the former colonial powers had raised between them.

In the main, however, we are well advised to be aware of the limits of our power and responsibility. We have been told of our so-called emerging image abroad as a leader in Asia. In Spain, well-meaning government and civic leaders suggested that we make a tour of Latin America to help unite in world affairs the nations that share with us the heritage of Hispanic culture. Now, there is criticism of our Administration that by not pulling out of the Asian games in protest against the conduct of the host country, our supposed image as a leader in Asia has been impaired or distorted.

This criticism is based on a false premise because we are not aspiring to become a leader in Asia. Our ambition is to be a faithful, effective and successful leader of the Filipino people. In world affairs, our aspiration is not for the President of the Philippines to be a leader in Asia, much less in the world, but for the Filipino people themselves to fulfill their obligations and play their role among nations in good faith and with honor and, by the efficient and effective administration of their affairs and the solution of our national problems on the basis of freedom, prove that democracy can work successfully in an Asian country like the Philippines as an effective instrument for the prosperity of the masses of the people—an achievement which will be the Philippines' best contribution to the freedom, peace and welfare of humanity.

Among our many concerns in the domain of foreign affairs our relations with the United States of America will continue to occupy first rank for a long time to come. Although it is true that our special trade relations with the United States will continue to diminish and finally to disappear in 1974, there is no doubt that our overall relations with the United States will long remain highly important. This is because the attitudes, habits and ways of life, whether on the emotional, intellectual or material levels, which both peoples have developed in the course of their relations over the past sixty years are certain to endure. Therefore, the means and procedures needed to satisfy the exigencies of that relationship will be devised.

The vicissitudes of the Philippine war damage bill in the United States Congress clearly illustrate the point. The happy ending of that checkered story proves that occasional indifference or neglect, occurring whether by design or accident, merely serves to emphasize the generous reservoir of goodwill which the two nations have towards each other. Because ours is a developing country strongly attached to freedom in a crucially important region of Asia, and because the United States is a Great Power having the means and the will to assist free peoples and to defend the ramparts of freedom everywhere, the two countries are destined to share the same fundamental purposes and objectives in domestic and foreign affairs. In this common purpose to defend the priceless heritage of freemen, Americans and Filipinos can be depended upon in future as in the past to work, fight and, if need be, to die together.

But short of any need for fighting and dying together in order to defend freedom, Americans and Filipinos have many opportunities to act together in close cooperation and support. One such field is the struggle against communism. You all know that the Philippine policy towards communism is straight-forward and unequivocal. We are inflexibly opposed to communism and all its works, and nobody is left in doubt about it. We have no relations with any communist State and we do not propose to have such relations in the foreseeable future. Soviet Russia has recently suggested the establishment of diplomatic relations with us, but we have rejected such advances because we have decided that such relations would, on balance, be detrimental to our national interests.

We avoid the equivocal position of a number of countries which condemn and prescribe communism at home, but then permit communist States to establish embassies within their territory from whence communist agents disguised as diplomats can freely carry out their plans of infiltration, subversion, espionage and sabotage. We prefer to take no such risks. To those who remind us that the United States not only maintains diplomatic relations with communist States but has flourishing cultural and even economic relations with them, and then suggest that we do likewise, our answer is that the United States can afford such relations, but we can't. For those who are attracted by the imagined profits of trade with communist China, our answer is that there is not a single pound of sugar, copra, coconut oil, iron ore or lumber for which communist China would or could pay us more than what our present customers now pay.

From our clear-cut policy there flows for us the direct advantage of reducing the risk of communist subversion. For the United States and other friendly countries there comes the absolute assurance that no part of the economic and financial assistance which may be given to us will ever be channeled, wittingly or unwittingly, to communist ends.

On the contrary, our entire domestic and foreign program is aimed at an exactly opposite result. Our domestic policies aim to protect and promote the system of free enterprise. But in order that this policy may not play into the hands of the communist, we have made it a condition that this must be free enterprise with a social conscience and a sense of public responsibility. We shall not allow this system to be used by free-wheeling adventures to amass enormous fortunes at the expense of the many or to use their economic resources to gain political power for their own ends. The "malefactors of great wealth" were denounced by the late President Roosevelt during the thirties as the real enemies of the system of free enterprise. He reminded them that the far-reaching economic reforms of his Administration were, in reality, being undertaken in their own interest, in the interest of the system under which they operated, even if they refused to acknowledge the fact. Today, we say to the "economic royalists" in our midst that we are determined that the system of free enterprise should be made to work in the interest of all the people and to provide equal opportunities for all citizens, and that we are prepared to use all the constitutional powers of our office and all the authority at our command in order to accomplish this.

Our approach to the question of communism is inspired by two considerations. The first is that we are not impressed by the so-called friendly or peaceful intentions which communist States and Governments profess in season and out of season. Nothing they say can divert us from the certain knowledge that communists everywhere and always are dedicated to the sole objective of world domination. Our Administration is not prepared to open our country's doors to communists so that they may come in freely to work out their evil purpose.

The other consideration is this: We have absolute confidence in the ultimate triumph of liberty over communism and of individual freedom over totalitarian tyranny. We believe that the open society of freemen will eventually emerge triumphant in the contest with the slave society of the communists.

In Asia, Africa and Latin America, the communist tide may have reached its highest point, and from here on is likely to recede. But in all of these three vast and populous areas, there are three necessary conditions for the advancement of liberty and the recession of communism. The first of these is to maintain constant vigilance, to take nothing for granted, to unmask communist deception, to resist communist pressures, to combat communist threats and to repel communist subversion and aggression wherever these manifest themselves.

The second is to help provide to the peoples of Asia, Africa and Latin America the instruments of their own salvation so that by their own efforts, through the rational use of their abundant manpower and natural resources they can improve their living standards. This, in the long run, is the only way to render them immune to the communist plague.

The third is to strengthen the ideological support for the fight of the free world. Whereas, the communists have succeeded in formulating ideals that arouse fanatical frenzy among their supporters, such as that workers have nothing to lose but their chains, the democracies have failed to rally their people behind an electrifying or revolutionary ideal. American leadership of the free world has not been as effective as it could be because it has relied more on material power and less on spiritual and ideological weapons. The ironic fact that although America spends billions of dollars in foreign aid, she appears not to be popular in the recipient countries, may find explanation in the lack of proper attention to spiritual and ideological values. For instance, the United States has often given the impression that it lacks a proper regard for the pride and sensibilities of other peoples, a proper recognition of the need to put a premium on the loyalty of steadfast friends as against fickle fence-sitters, and a proper degree of consistency in upholding principles in her dealings with nations big and small, instead of sacrificing such principles to maintain the support of the big powers.

The free nations must explore the greater potency of ideological and spiritual weapons and get solidly behind them. Democracy as an ideology must itself be clarified and strengthened so that all free peoples can rally united in practice behind it and not in lip-service alone.

We venture to suggest that the free nations may unite behind the concept that democracy is an ideology which seeks the triumph of "a God-blest system of freedom restrained only by a rule of law based on equal opportunity for all." This is an ideology for which all free men and all free nations can fight and die. Such a universally agreed system may be the answer to the communist ideology. It is a system that pits squarely the natural hunger of man for

freedom and his instinctive faith in the existence of a Supreme Being against the communist system of fictitious equality without God and without liberty. This democratic ideal of freedom restrained only by a rule of law based on equal opportunity for all may be taught and popularized as a way of life superior to communism. Above all, the truth and the blessings of this free way of life must be demonstrated by every State practising the system faithfully within its borders and in its relations with other States. In this task, the big powers are called upon to play an important role, since it is in their conduct that the discrepancy is often most marked between actual performance and the ideal of freedom and equality.

Insofar as the Philippines is concerned, this ideal of freedom and equal opportunity is the system which we uphold and upon which we are ready to stand or fall in discharging our responsibility to our people and upon which we are ready to stake the fortunes of our Republic in the world affairs.

With the mailed fist, the late President Magsaysay broke the back of the communist movement in the Philippines. Today, we propose to destroy the evil of communism in our country by breaking and fructifying the soil of our national economy so that it may yield in freedom all that is required to satisfy the needs of a free and contented people.

This is our program. It is our purpose to employ our diplomacy primarily to create new or stronger and more effective modes of cooperation with all friendly States that are ready and willing to assist us in our program on the basis of mutual respect and mutual benefit. This is the principle that inspires our relations with the United States and other friendly countries. It is our purpose to make a new approach in our relations with Japan, which is our close neighbor. We intend to enhance our economic and financial relations with Western Europe whose capacity to use our products and supply our requirements on a competitive basis is being proved conclusively more and more. Because of the inevitable pull of racial, cultural or geographical factors, we propose to develop our relations with our neighbors in Southeast Asia and in Oceania. And because of the powerful Latin element in our civilization, we shall conserve our cultural ties and develop our economic relations with Spain and the other countries of the Latin world.

These are the main elements of the task that confronts us. In addressing ourselves to this task, we shall not be overly concerned about creating an impressive leader-image abroad. Provided our achievement measures up to the expectations of our people and our national interest, the international image will take care of itself.

We Filipinos are fortunate in many peculiar respects. Though we are of Asia, we have roots both in the East and the West. Nourished by the Asian soil, we yet partake of the two mainstreams of Western civilization, the Latin and the Anglo-Saxon, together with their respective achievements in the domains of Spiritual grandeur and material abundance. Though they inhabit an archipelago of many islands, our people are strikingly cosmopolitan in outlook and behavior. Living right on a vital crossroads yet surrounded by the China Sea, they are close enough to sense the tumult of the Asian continent without being caught in the very vortex of it. They live in a country rich enough in resources to be able to sustain a population two or even three times the present one.

In this country so richly endowed by nature and so specially favored by history, we Filipinos have the opportunity to build a happy and prosperous nation of free men living in a free society, under a system of responsible free enterprise, that shall be a stout bulwark of liberty in the world. I urge all our people to join, and I invite all our friends and allies in the free world to assist us in this exciting task and epochal undertaking.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Speech of President Macapagal at the cornerstone-laying ceremony for the Manila Hospital

**Speech
of
His Excellency Diosdado Macapagal
President of the Philippines
At the cornerstone-laying ceremony for the Manila Hospital**

[Delivered on September 11, 1962]

HOSPITAL FOR THE POOR

THIS afternoon will mark the start of a tangible effort on the part of the City of Manila and the National Government for the materialization of a long-needed, long-sought for hospital for the residents of this City, which was a pet project of the late Mayor Arsenio Lacson. This is a suitable occasion to pay tribute to the wisdom and foresight of Mayor Lacson, to his deep concern for the welfare of the city population, especially the poor. He had plans to improve the lot of the masses in the City. He fought hard and long to implement his plans. One of these was the construction of city hospitals that would be adequate to serve the medical and hospital needs of the city residents. I am also happy to congratulate Mayor Antonio J. Villegas, Vice-Mayor Herminio Astorga, the city councilors, the city officials and others who have contributed their share to make this project a reality.

On this beautiful site, against the panoramic view of Manila Bay and its famous sunset, will rise a hospital that will be truly for the poor. It is to be hoped that the indigents will have this hospital and its complete modern facilities open to them at all times and for free. This is a project that supports the Administration's commitment to work for the upliftment of the masses, and to give to the lower social and economic strata of our people, a fair and equal chance to share in the enjoyment of the bounties of our country and the facilities within the capability of the government to provide.

Manila with its teeming and fast-growing population does not have, as it has never had, a hospital of its own since it was founded nearly 400 years ago. There are four national hospitals in the City: The Philippine General Hospital, North General Hospital, Maternity and Children's Hospital and the San Lazaro Hospital. The facilities of these hospitals, which are supposed to be opened to all the people from all parts of the country, are not even adequate to meet the requirements of the city residents. There are private hospitals, it is true, but their free bed facilities are insignificant.

Concomitant with the fast growth of the city population are problems that concern the very health of the people. Eighty per cent of the City's population is indigent. The maternal, infant and total mortality or death rates of Manila are still high, compared with other cities of the world. Respiratory and gastro-enteric diseases together, take an annual toll of almost 3,000 human lives in the City. In 1961, out of the total deaths of 9,017 in Manila, 38 per cent or 3,380 died without the benefit of any kind of medical attendance at all. Financial inability to pay for medical services, medicines, transportation to the hospital and the acute shortage of available free beds contributed to these still big percentage of deaths without medical attendance. In illnesses, tuberculosis alone accounted for 7,961 cases registered for the year 1961; diarrhea enteritis for 9,078 cases. Most of these people especially from the slums of the City just manage to treat their ailments at home because no hospital beds are available; many others with chronic diseases have to wait for days and even weeks for admission to a hospital. I am told that the four national hospitals in the city are constrained to refuse hundreds of patients every day for lack of bed space. The pitiable conditions in the overcrowded corridors of the Philippine General Hospital and in the Maternity and Children's Hospital point to the serious problem of hospitalization in the City. The Philippine General Hospital, even with its 897 free beds has 40 to 60 extra beds daily in the corridors of its emergency ward alone. It appears that some 1,000-2,000 patients each month of the year are refused admission in the North General Hospital and that 100 surgical beds of this same hospital are always filled up by traumatic and emergency cases—shootings, stabbing, motor vehicular accidents, etc. Other elective surgical cases such as those needing brain surgery, herniotomy, appendectomy, etc., are often refused admission for lack of bed space.

The move of the City of Manila to construct and operate its own hospital is the answer to a critical need. The project deserves not only the appreciation of the city population but also all encouragement and support from the national government. I am interested in the success of this project because it is along the avowed objective of my administration to bring the government closer to the people and make it sensitive and responsive to the problems and needs of the low and poor masses. We are intensifying our national efforts in helping the poor by bringing the prices of rice and other commodities within the reach of the poorer consumers. We are leaving no stone unturned to minimize and erase unemployment. As we implement the Administration's Five-Year socio-economic program that aims at more production and more income for our people, we should not deviate, and we have not deviated, from our other and equally important objective of providing our people with more free education and more free medical care and hospitalization facilities.

Again, we commend the officials of the City of Manila and the Manila population for this very laudable project. As we look toward its early completion, we hope that more efforts to really help the needy and the poor will be launched in the near future not only in the City of Manila but also in all cities and towns of our beloved country. We are confident that with the cooperation of good citizens, it will not be far when all our people will enjoy the blessings of peace, security, health and prosperity.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Speech of President Macapagal at the inauguration of the Fil-American Youth Center

**Speech
of
His Excellency Diosdado Macapagal
President of the Philippines
At the inauguration of the Fil-American Youth Center**

[Delivered in Olongapo, September 15, 1962]

OPPORTUNITIES OF THE PRESENT AND CHALLENGE TO THE FUTURE

IT is a sincere pleasure to be with you today at the inauguration of the Fil-American Youth Center of Olongapo. This center is a practical symbol of the fruitful cooperation between Americans and Filipinos and should serve to foster cordial relationships between our two peoples here in Olongapo through enlarged social contacts and cooperative projects designed to strengthen Fil-American friendship. I must say that your sense of timing is quite a joyous one.

Of late, as you know, we have taken steps to rediscover the well-springs of our native culture. We are emphasizing our heritage as an Asian People. We have projected abroad the image of the Filipino through our songs and dances, through our literature and other arts. In the process of asserting our national identity, we have taken time to reassess our relationship with other peoples, seeking similarities where they existed, and clearing barriers where we could. At the same time, we have clearly defined our stand in matters which affected our national interest and security.

It is inevitable that in the course of this task of self-discovery, we should undergo moments of disappointment, particularly in our relations with other countries, including the United States. This is part of the process of finding our foothold as an independent State and of rediscovering our soul as a nation. This is a task that necessarily involves national self-assertion, the recognition of our national identity and the maintenance of our national self-respect.

In this process of national self-discovery, there has been no intention to exacerbate Philippine-American relations. Our aim has been to strengthen these relations on the basis of mutual respect, regard and affection so that, in future, we can maximize domains of cooperative effort for mutual benefit and minimize the occasions of needless misunderstanding. It is to the credit of the American people that they have viewed our sentiments with sympathetic understanding and without rancor and have taken immediate steps to rectify an obvious wrong.

Recent events have brought to light the core of Philippine-American friendship. In any meaningful relationship, as that which exists between the two countries, there are bound to be areas of divergent viewpoint. It is the prerogative of free peoples to subject their relationships with each other to sober analysis in order that their ties may become stronger and firmer and adverse factors removed in the clear light of mutual understanding.

Perhaps the real significance underlying the building of this Fil-American Youth Center in Olongapo lies in the reassertion of the vitality of our special relations with the United States. Within the confines of this Center, you will have the opportunity to know one another better, to share experiences, to work and play together, and to demonstrate that differing backgrounds are no hindrance to the spiritual affinities that bind you together. Here you will learn to live by the principles of democracy and liberty which is our most precious legacy from the American people. You will learn that the essence of true freedom lies in the right to ask questions and to give answers—even the wrong answers. Together, as you map out ways and means to give meaning and substance to your association, you will discover that there exists a very real need for the continued friendship between our two peoples. They have need of each other and their continued cooperation is necessary for the freedom and security of both of them and of the peoples in this part of the world. So long as the sense of responsibility and so long as the understanding and willingness to understand one another remain fresh, there can be no valid reason why our friendship with the United States cannot grow in depth and strength. The crucible of war in which this relationship was tested has often been

cited as a lasting proof of Fil-American cooperation. Perhaps we can look back less at the past and concentrate more on the opportunities of the present and the challenge of the future.

This relationship has been subjected to the harsh light of critical scrutiny. We have been accused of playing too docile a role, and we have also been accused of excessive self-assertion. The truth may be somewhere between the two extremes. The best rule for us to follow is, simply, to be ourselves, to do what we conceive to be in the best interests of our country, our friends and allies, regardless of the cost.

Olongapo is unique in one respect. It is a pilot plant—a demonstration center for the practice of Philippine-American cooperation. Here, in the grind of daily life, the two peoples have to learn to live and work together as friends and neighbors. Yours is a continuing experiment in good neighborliness.

I am aware that the members of the U.S. armed forces here in Olongapo have speedily and often come to the help of the community in its hour of need. I know that you are all grateful for this, and that, in turn, you will continue to show to them the hospitality which is truly a part of our way of life.

Let Olongapo, and this Center in particular, give proof to our two nations and to the world that Americans and Filipinos can order their relations on a basis of fraternal consideration and mutual respect, for their mutual beneficence and the common good. I have no doubt that you will rise to this challenge and prove this thesis to be right.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal before the Federation of Chinese Chambers of Commerce in the Philippines
Address
of
His Excellency Diosdado Macapagal
President of the Philippines
Before the Federation of Chinese Chambers of Commerce in the Philippines

[Delivered on September 18, 1962]

ROLE OF FOREIGNERS IN OUR PROGRAM

I CONGRATULATE you on the occasion of your 4th biennial convention and thank you for the invitation to be with you today. It gives me an opportunity to discuss some matters which, because of their vital nature, should be lifted from the haze of ambiguities and be presented clearly. Candor being the best safeguard against misunderstanding, this would be an opportune occasion first, to define the proper role of our foreign friends in the implementation of the Nation's socio-economic program and second, the relations between citizens of this country and foreign friends who have chosen this land as their place of residence and business.

We can think of no better forum for such a discussion than the present gathering of the Federation of Chinese Chambers of Commerce. Your organization includes in its roster some of the most outstanding businessmen in this country and the ablest leaders of the Chinese community in the Philippines.

We have presented to our people the Five-Year Integrated Socio-Economic Program which our administration has launched. This will be the most important and most essential blueprint that will guide this administration during the coming years. The paramount task of the day is to increase the capacity of this country to produce those goods and services needed by our people to generate jobs for those willing and able to work, and to provide enough incomes to enable all families to enjoy a happy and healthy life.

To forestall misunderstanding, we should state clearly what the socio-economic program means to Filipinos and to our foreign friends who live in our country. Pursuant to the primacy of the rights of our own citizens to develop the resources of our country and to reap the benefits from them, we have reserved certain areas of economic activity as legitimate grounds of operation only for our own citizens. We also aim to increase the share of Filipinos in the future stream of national income and their share of the productive assets of their own economy. To achieve these legitimate aims, we wish to be clear over the way we shall pursue them. We shall do so not by jeopardizing foreign investments in this country but, on the contrary, by establishing incentives to increase foreign investments, together with those from our own citizens, and to induce both towards the most desirable directions. In other words, we shall be hospitable and helpful to all investments which, within the framework of law, serve to accelerate the rate of growth of our economy.

In order to drive home the point from these remarks we ask indulgence to refer to the analogy well-known to students of economics, namely, the Legend of the Pie. There are two ways of increasing a person's consumption of a pie. One is to grab somebody else's share of the same pie. The trouble with this method is that it makes someone's gain somebody else's loss. The other method is to bake a bigger pie, and give everyone a chance to gain, and where one's gain need not mean somebody else's loss. We subscribe to this second method. While our citizens aspire to increase their own income and their own productive assets, and to spread these out equitably among the population, we aim to do so not by grabbing from others what is rightfully theirs—a method which our Constitution forbids—but by increasing the rate of growth of our national income and the level of our productive assets, in order to have more goods and services to go around. For this we need a higher rate of investments, both from our citizens and from our friends here and abroad. Our program rests on the premise that our citizens' stake is in strengthening our economy. The same is true of our foreign friends who reside and make their living in this country.

We will now refer to the relations between our citizens and foreign friends, particularly the Chinese community. If we rise above the present occasion and assume the perspective of economic history, we must mention the prominent

role that the Chinese have played in the creation of productive assets in the country. The frugality, patience, and the capacity for hard work of the members of your race have been part of the historical experience of this country since those early days before the coming of Spain when the intrepid sailing vessels from China brought traders and immigrants to our shores. They have consistently been successful in trade and industry in this country since then.

Within the last five years, from 1957 to 1961, the combined Chinese investments in single proprietorships, partnerships, and corporations have amounted to 175.6 million pesos, or 17.4 percent of the total, with Filipinos accounting for 78.8 percent, Americans for 1.6 percent, and others for 2.2 percent. The savings and investments of our foreign friends have contributed substantially to the economic developments of the Philippines, and will continue to do so in the future. Of these foreign investments, by far the largest proportion belongs to the Chinese. Taking foreign investments alone within the same period, the Chinese account for 75 percent of these investments in single proprietorships, for 94 percent in registered partnerships, and 86 percent in corporations. Last year, the Chinese constituted 96.4 percent of all alien registered retailers in the Philippines.

These facts are, of course, neither strange nor new to us. The members of your race are the largest single foreign group that has chosen to adopt the Philippines as their home, to work here, to live here, and to die here. Many of your race have elected to become citizens of this Republic, and others have assimilated themselves into our culture and society so effectively that their descendants, although carrying recognizable traces of their original Chinese names, are Filipinos in their values and attitudes. The rest of you, on the other hand, have chosen to preserve your own cultural identity, and it is as Chinese rather than citizens, that you reside and make your living in the Philippines.

You and I should agree that the extensive economic activities of foreigners in this country have lately raised some apprehensive concerns on the part of our citizens over their rights to manage their own economic destiny in their own land. Some of these fears are emotional, imaginary and irrational, while others have a foundation in fact. We shall not, on this cordial occasion, go through the embarrassing exercise of spelling these fears out in detail and what their basis might be. We would like, however to redefine our mutual relations on the basis of two propositions which, we hope, will so serve to translate themselves into such day-to-day conduct and operations as will make for a combined effort on the part of all of us to achieve for this country—ours by possession and citizenship, yours by adoption—the elimination of poverty and ignorance, the spread of educational opportunities, and the enjoyment of a higher standard of living for all, politically, economically, culturally, and spiritually.

The first proposition we wish to make is this: that this country will always remain a hospitable place for legitimate business, that is to say, for those economic activities which, within the framework of the law, help to hasten the economic progress of this country. We appreciate whatever honest efforts our foreign friends are exerting to increase the productivity of our country and to help provide employment and income to those who inhabit this land. Let this dispel any worries on the part of the foreign business community here and abroad. This nation will deal with them with dignity, with fairness, and with full adherence to the principles that govern relations among men in free and civilized societies.

We maintain, however, that those who do business here, or generally, those who choose to live here and enjoy the hospitality of our country, have their own responsibility to uphold. So we present our second proposition, namely: that aliens and foreigners must respect the aspirations of Filipinos to exercise sovereignty over their own land both in the political and economic spheres. We welcome those who reside here and make their living in good faith and with full respect for the laws of this land. But we definitely look with disfavor upon those who seek to subvert, undermine, circumvent and make a mockery of our laws. The concrete cases are obvious to you and to the public and need not be mentioned. Some of the worst offenders, condoned and blessed in the past by highly-placed official circles, have recently felt the full force of the law under a new administration that aims to maintain the dignity of this country, the supremacy of its laws above any individual, and the integrity of the public service. To those who treat our citizenship laws lightly and with cynical contempt, we offer no welcome. To those who defy our immigration laws, we offer banishment. To those who strive to corrupt our public officials, the law will be severe. But to those who strive to be constructive and law-abiding in the land of their adoption, we offer the warmest hospitality which has been our proudest trait as a people.

We are not against foreigners. On the contrary, because of our background in foreign affairs, we are internationalists. Specifically, we have a standing invitation to foreign investors in our socio-economic program to come and assist us in developing our rich resources, preferably, in business ventures with our nationals. But as we demand of our own countrymen that they comply with the laws and give due regard to the public interest, we expect no less from foreign friends who would help us develop our resources or would live with us in our land. We shall always welcome legitimate foreign businessmen but not carpetbaggers, corrupters, manipulators, law violators and unscrupulous persons who would be a disgrace in their own homeland. To legitimate foreign investors, whether those who are already here or those who may hereafter come, we not only extend invitation and welcome but also a warranty against the confiscation and expropriation of their business enterprises and we guarantee the repatriation of their profits and, if they choose, even of their capital. We pledge to them the full and equal protection of the laws of this land to both citizens and foreigners alike.

The events of the past few months should be sufficient proof that this administration is determined to shake this country out of its complacent acceptance of graft and corruption as a fact of life and as a condition for success, and to establish afresh the rule of law and morality in the public service. It is only under an atmosphere where the law reigns inviolate that the residents of this country—both the citizens who own it and the aliens who live here by their own free choice—can cooperate to reshape this land into one that is prosperous enough economically, and strong enough politically, to preserve itself from the encroachments of those forces which, more than a decade ago, swooped down to enslave the whole mainland of China and now seek to extend their sway and destroy the freedoms of the peoples of Southeast Asia.

We take pride in our heritage as an honest and good-hearted people. Chroniclers of our past recount that in ancient times, when Chinese traders passed the port of Manila to the South Seas, they would leave their wares at the wharf with price tags and, on their return voyage, they would find the money corresponding to the goods taken beside the goods that were not bought. We cherish tales like this because we want to do things the honest way. During the enemy occupation in the last war, the forces of evil caused a moral breakdown among our people from which we have continued to suffer.

Now we have made a call to our people to summon their latent tradition of decency in order to go back to the honest ways of our forefathers, to seek progress and forge a way of life that is founded on freedom and integrity. Towards this moral regeneration, we seek the cooperation of friends from other nations who have chosen to make our country a common home. Indeed, in a land with a rich promise of abundance such as ours, there is no need for chicanery to achieve material success unless one were moved by inordinate greed or disposed to evil. In lands barren of resources and compelling a struggle of survival that cannot afford respect for other laws, the weapon of dishonesty may perhaps be warranted in the strife for life. But this need not be so in a country like ours that has resources adequate for three times our number and where God has provided enough for anyone who is willing to live by the honest sweat of his brow.

May we say that you in particular who or whose forbears have come from a nation that for centuries has excelled in trade and business, are most welcome in our midst because of your know-how and qualities that can be of help to us so long as you support and assist our desire to use the ways of integrity. Together we can convert this country into a haven of an abundant life in liberty not only for our brothers in our nation but also for our brothers in the family of mankind who are willing to make common home with us in unselfish and honorable companionship and brotherhood.

We ask for understanding and open-mindedness on the part of everyone—both citizens and non-citizens living together in this country. Our non-citizen friends should understand and respect the Filipinos' primacy in the running of their government and in the development of their resources. Our citizens, on the other hand, should realize that there are individual rights which are not contingent on citizenship at all or on similar legal prerogatives but are inalienable from the human person: the right to live and to make a legitimate living, to be free, to pursue happiness for himself and his family—and that these rights shall be guaranteed and safeguarded by the law of our society for everyone who lives in this country by the law, whether he be a citizen or not. Of this, everyone can be sure, so long as this country upholds democracy and what it stands for.

Together, we can make this land a place of joy for all of us who live here, if we work together in good faith, decency and honor. This is the objective of this administration. It is up to you to play your role. If you are convinced of the merit of this pattern of cooperation and living, it behooves you to spread the creed to all your countrymen throughout the country. We need the understanding cooperation and help of every single foreigner in this country from the highest leader of your federation to the most obscure of your own nationals living in a remote place somewhere in our archipelago. We ask you to reach everyone of your nationals throughout the country and use your good offices upon him to understand the crusade of this administration and to do his part in his locality. Should you and they do this, it shall be your satisfaction to see that this administration shall not seek to remove any of your nationals from the country but shall ask you to stay and to help in wider fields of endeavor to make the Philippines a happy home for nationals and foreign friends alike.

We have bared to you our goals and the premises upon which we seek their fulfillment. We urge your Federation to exert its leadership in cooperating with us, for the sake of our common welfare. We urge your aggrupation which includes some of the most respectable businessmen in this country, to come up with creative ideas on how best to harmonize the relationships between the Chinese community and the rest of the country in the achievement of our aims. This is the challenge we wish to leave you.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**NATIONAL GOVERNMENT PORTAL – EDITED AT THE OFFICE OF THE PRESIDENT OF THE
PHILIPPINES UNDER COMMONWEALTH ACT NO. 638**

Radio-TV Address of President Macapagal in the program, “President Macapagal Speaks to the Masses”

**Radio-TV Address
of
His Excellency Diosdado Macapagal
President of the Philippines
In the program, “President Macapagal Speaks to the Masses”**

[Released on September 18, 1962]

THE PRESIDENTIAL MIND

LOOKING back at the first few months of our administration, we are gratified at the results. The prime goods of our administration are moral regeneration and socio-economic progress in freedom. On the latter, we have succeeded in making the shift from graft-breeding and growth-suffocating controls to free enterprise. No less than Mr. Dragoslav Avramovic, a high official of the World Bank who has seen the same economic reform attempted with much more difficulty in other countries, has described the shift that we made in our country as “brilliantly done.” Only the other day, former Gov. Miguel Cuaderno of the Central Bank opined that the shift from controls to decontrol has already definitely succeeded and that from here on, the national economy can take care of itself to move healthily forward.

In the moral fields, too, we feel that we have succeeded in eliminating or discouraging the mentality of influence peddling and get-rich-quick-through-smart-deals in favor of legitimate ventures and in promoting an atmosphere of no one being above the law and of giving a fair and equal opportunity to all the citizens, rich and poor alike.

Now that the painful anxieties and strains of initial effort in an infinitely difficult task are gone, it will perhaps be useful that, in the relaxed mood of satisfaction in work so far well done, we should confide to all concerned, our thinking, our modes of approach in discharging our duties and our basic attitudes that affect the course of public affairs while we are discharging the responsibilities of the presidency of the land.

ON CRITICISM

First, let me express my thoughts on the matter of criticism. We are not “onion-skinned” to criticism, much less are we against it.

In candor, we believe, however, that the criticism against us has been mostly misinformed or unsound. In reacting to criticism we have endeavored to show its deficiency. The critics in all probability believe that they are correct. On the other hand, in most cases, we believe that their criticism ensue from misinformation or from a narrow view. The situation appears to us to be that most of our critics see primarily the narrow confines of their special interest as against the national panorama that our broader background and responsibility enable us to see. To use a popular expression, they see only a few trees while we see the whole forest.

We recognize the right of criticism which belongs to all in a democracy but we also claim the right and the duty to show the fallacies and especially the destructive, if unintended, effect of uninformed and unsound criticism as they affect the good of the country.

We therefore do not mind the criticism hurled against us because this is an inalienable right of all citizens; as a matter of fact, we welcome them because we can perceive their deficiency, if any, and thus be able to expose it. We ask only one thing of our critics—to respect the dignity of our office by not insulting or sneering at us. As long as

we hold the position of President of the country, we regard our dignity to be the dignity of our people themselves. As the Supreme Court said in the case of *Forbes vs. Tiaco*, 16 Phil. 534: "An assault upon the President is an assault upon the people. An offense against him is an offense against the State." We would feel recreant to our duty of safeguarding the dignity of our people if we allow insults to be made against the President. Insults are no substitute for criticism or for sound argument and facts.

BOTH MORALITY AND LEGALITY

Another basic attitude of ours is that we are not satisfied with legality alone. Thus, in our first "State-of-the-Nation" message to Congress on January 22, 1962, we said that:

"In our actions, we should not be guided only by what is legal. We must go beyond legality into the demands of morality. Our actions must not only be legal but must be moral as well."

Thus, when we are asked to act on a public matter and we are told and are convinced that it is legal, we then ask the question: Is it moral? If it is both legal and moral, we go ahead. If it is legal but not moral, we desist.

Indeed, when we *moto proprio* study a matter, our first question is: Is this moral? If we are satisfied that it is moral, then we ask: Is it legal? If we are in doubt as to the legality of a course of action, then, availing of our training in law and of our legal advisers, we study and seek a legal mode for its accomplishment. If we are convinced that the matter is moral but there is doubt of its legality, if the matter is necessitated by the national interest, that is to say it could be legal or it could be illegal; then we take steps to bring it to the Supreme Court with the attitude that we would abide by whatever decision the Supreme Court would render as the final arbiter of legality under the Constitution.

This is the reason why we have not been fearful of being overruled by the Supreme Court. To us, it is not a question of prestige but a means of seeking ways of strengthening the democratic mechanism to effectively serve our people. We know that in some situations no lawyer really knows what the law definitely is until a Supreme Court ruling. In fact the Supreme Court itself is often divided on what the law is. Whenever required, rather than desist, we ask the Supreme Court to render a guiding ruling on the law, irrespective of our personal opinion on the legal point. Our attitude in these cases is not that of a lawyer who is guided by his opinion of the law, but that of a leader of the people who is primarily guided by what is good for the country despite legal ambiguities. We leave it to the highest tribunal of the land to determine the law for us and for those who will follow after us for the good of the nation.

Thus, we issued Administrative Order No. 2 annulling the now notorious midnight appointments despite legal doubts because it was the right thing to do for our people; and fortunately, the Supreme Court sustained our position. The majority opinion and the dissenting opinion in the midnight appointments case illustrate the difference between our attitude and that of the past administration. In the dissenting opinion, which reflected the thinking of the previous administration, it was maintained that all that the court had to look into was the legality, without delving into the realm of morality. The majority of the court, however, took a position more or less similar to ours—that the morality of a situation affects the issue of legality. To our mind, the majority opinion in that case is one of the most significant and encouraging decisions in our jurisprudence because it gave indications that we have a Supreme Court which is not controlled by cold or opinionated legalists who might be impervious to the needs of the nation and the democratic system which has made the existence of the court possible, but is composed of judicial statesmen who recognize the moral ingredients of the law. Insofar as we are concerned, both as a public man and as a lawyer, the fundamental basis of law is morality and a reasonable construction that promotes morality is the true law, rather than an interpretation that sanctions and promotes immorality.

Another illustration was our bringing the Agro-Industrial tobacco importation to the Supreme Court. We took this action not because we were ready to stake our knowledge of the law on the action but because we knew that this importation was filthy with the graft that characterized the regime so recently repudiated by the people. We could not of our own accord sanction such a venture and thereby be a party to a dubious transaction, but when the Supreme Court ruled that it was legal, we had no hesitation in complying with the court's decision.

In the case of the Querubin reinstatement case, our personal opinion was contrary to that of our then Secretary of Justice, but since the legal actions of the government were his prime responsibility and it was, and still is, our policy to sustain our cabinet members unless we feel that they are grossly in error, we did not stop our justice secretary from sustaining his views before the court. We feel that whatever the ruling was, on which we were not particular, it was conducive to the public interest to clarify the situation through the Supreme Court.

In the Commission on Appointments case, it was less important to us that the Rodrigo commission on appointments be sustained than that in the nation's interest the conflict between the two commissions on appointments should be resolved conclusively by the Supreme Court in order to avoid a disastrous situation of two constitutional bodies, each claiming legality and supremacy.

It is not fair, therefore, for us to be pictured as being rebuffed by the Supreme Court in any case. In our administration, when we take a case to the Supreme Court, it is not necessarily that we stake our knowledge of the law but that we have doubts about the correct construction of the law. It is necessary for the good of the people that the Supreme Court resolves the legal doubt, being always ready on our part to accept and be guided by the court's final decision.

The necessity and wisdom of our attitude have been shown in the action that we took against the former NARIC officials. Despite their unfitness to handle the vital rice problems, they refused to vacate their positions, invoking the protection of the civil service. Despite possible legal doubt, we proceeded to suspend them and put in new officials of satisfactory integrity and competence, leaving to the officials concerned to go to court to resolve questions of legality. As a result of our action which was moral, the rice problem has been licked because whereas during this period of last year, rice, when available, was sold from P1.50 to P3.00 per ganta beyond the reach of the masses, today there is plentiful rice available from P0.85 to P0.95 per ganta to the poor.

DICTATORSHIP

Now let us think aloud on dictatorship. It is impossible for us to be a dictator. We believe too much in freedom to become a dictator. When we took over the administration, there were economic controls under which our businessmen and the citizens were not free in matters affecting their livelihood and even their right of movement. Our people had reasonable political liberties but there was no economic liberty. Control of exchange meant overwhelming economic and consequent political power in our hands. Yet what did we do? We removed controls because we want for our people not only political, but economic liberty. In addition, we have respected the freedom of the press. Under our administration, newspaper owners are free to buy the newsprint that they need without restrictions, which was not true before our time. Some columnists attack us daily to the extent of becoming calumnists but we allow them, asking only that they develop self-discipline and a sense of responsibility among themselves and we answer them in public print in the exercise of our own right to free speech. The mere fact that our critics can call us a dictator and get away with it is itself proof that there is freedom in our country.

All we are after is being a leader who believes in, and adheres to, the Constitution and due process and know them well enough to make the said constitution, due process and democracy itself work with efficiency and not with weakness, for the good of the people. Because we love freedom, we believe in democracy not only for other countries but for our own people. We believe that democracy is the best government ever yet conceived by man. It is a great and vibrant system that adjusts itself to varying conditions of every country and the varying challenges of changing times. To fulfill its role, democracy should not be cherished and operated through its weaknesses but through its sources of strength.

Concretely, this means that we shall always adhere to the Constitution and the laws of the land. But we shall seek ways sanctioned in the Constitution and the laws to bring about the progress of the country and the well-being of our people. As evidence of our adherence to the Constitution and the law, we have made it a policy to make known our compliance with the decisions of the Supreme Court even before we knew what those decisions would be.

STRENGTH OF DEMOCRACY

It is not our mind to accept as unavoidable weaknesses of democracy those failures which have been habitually and carelessly attributed to the system and which stem from the lack of resolute will to implement its ideals due to the powerful resistance of those who would be prejudiced by the application of such ideals. It is a source of strength of a democracy that the Constitution ordains that citizens shall receive the equal protection of the laws but it is its weakness that this principle has not been applied to all, thereby creating a privileged group of sacred cows and big fishes who were untouchable by the enforcers of the law. It is a source of strength of a democracy that the Constitution seeks the economic security of all the people but it is its weakness that this objective had not been earnestly sought at all, thereby creating a chronic socio-economic situation where the unscrupulous rich and vested interests get richer only stumbling block to the progress of the country as envisaged in our administration. To insure the formulation and implementation of our full socio-economic program, we need a truly cooperative set-up in both Houses of Congress. In this, we only seek what every President before us had sought and nothing more. In the lower house, we already have this cooperation under Speaker Cornelio Villareal who succeeded in having the administration measures approved in the House. It is in the Senate where we were blocked and significantly one-half of the administration measures did not pass in the last session. Senator Lopez has succeeded in preventing a cooperative set-up in the Senate. Yet it is in the Senate where there should logically be cooperation because the chamber is composed of a plurality of 12 Liberals as against 11 Nacionalistas and 1 Nationalist-Citizen.

Frankly, we cannot understand the obstructions being put up by the senator and his bloc to giving full opportunity to the administration to carry out its program for the people. In the economic fields, his bloc has the same policy as the administration, which is decontrol and free enterprise. Financially their group are the ones benefited by the free enterprise policies of the administration. Why then do they persist in maintaining themselves as the remaining stumbling block to the success of the administration? Our answers to the question would be that they have placed personal ambition above the mandate and welfare of the people; that they do not wish to give a chance for the people at large as this would threaten their vested interests; or that they are in league with forces whose objectives are contrary to the ideal and welfare of our people.

By withholding their assistance for the establishment of a cooperative set-up in the Senate with all its divisive and pernicious effects to the country, the senator and his bloc are rendering a grave disservice to the nation. We express regret over their actuation because if they were to give their assistance to the administration, there would result a total national effort to promote economic growth, thereby eliminating the harmful and wasteful division of the businessmen, entrepreneurs and others into those who are pro-administration and those who are pro-Lopez bloc. With the Lopez bloc assisting the administration, all business leaders and businessmen would be able to join hands with the administration without further distinction of any kind in a total and titanic effort to develop rapidly the nation's resources and thereby hasten the advent of a better life to all our people.

MORAL DRIVE POLICY

In our moral drive, while it shall be necessary to take punitive action in exemplary cases of past wrongdoings, we take the constructive attitude in stressing the policy of preventive action—one that will insure eradication of past anomalous practices and doings. Even if we wanted to, we cannot spend all our four-year term running after past offenders because of their number. We are therefore led to select exemplary cases that will substantially atone for the past wrongs and deter in a most effective manner their future repetition. To exhaustively penalize past wrongs as would be demanded by the intents of justice, the administration will not only dissipate its tenure but will so provoke widespread controversies, animosities and struggles as would deprive the administration of the precious time that it needs for the constructive and far-reaching effort of socio-economic growth.

SPEEDING UP ECONOMIC DEVELOPMENT

Our passion is to hasten the economic progress of the country. It is not very often that we have an administration which is obsessed with concentrating on developing our rich natural resources speedily as the means of solving our other problems and bringing a better life to the masses of our people. An additional merit of our socio-economic program is that we shall do it in the ways of freedom and free enterprise.

POLITICIANS IN NEW ERA

We ask our brethren politicians and public men to bear with us. It is possible that with our policies and our resolve to implement them, the power of the politicians may be diminished and their opportunity for material aggrandizement through the use of public office and influence will be lessened. They shall, however, have better opportunities to improve materially in such increased legitimate ventures as will become available in the free enterprise system and over which they have no direct authority and jurisdiction. Offsetting in part the loss of old privileges, it is a solace that the cost of running for public office shall become much lower beginning 1963 and the regard of the people for the politicians shall become higher. It is our hope that it will hereafter be less exacting and vexatious to run for and win public office through the simpler mode of dedicated service to the constituents. Above all, in losing the undue privileges enjoyed in the past, there shall be the richly gratifying feeling that we are contributing to the building of a better nation.

We plead for support and cooperation. We are appreciative of the attitude of the two highest leaders of the opposition, Senate President Eulogio Rodriguez and former Speaker Daniel Romualdez, for rendering their assistance to the administration without giving up their right to political battle at the proper time.

Others may believe themselves better than us but as long as we are President, we should be given full opportunity to carry out our task since it is us that the people have entrusted this responsibility during our term of office. Ask yourselves these questions: Is the President spiritually and intellectually prepared for his responsibility? Are the President and his family enriching themselves in office? Is the President doing his best to do his task? If you find the answers to these questions satisfactory, then give the President a chance to carry out his program of government, if not with positive assistance, with constructive criticism instead of obstructionism and derisive fault-finding.

EQUAL AND FAIR OPPORTUNITY

We must all work together to accomplish without fail the monumental task at hand. In fine, this task shall reshape the moral socio-economic order so as to establish conditions that would assure equal and fair opportunities for all our people to attain better life and a just share of the bountiful resources which a magnanimous God had blessed our land. This is a golden opportunity to achieve this mission at a time when we have no choice but to do it, if we are to escape falling into the hands of the ideological enemy and when our country, under its present leadership, is set to build a better future for ourselves and our prosperity. God bless the Philippines!

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**NATIONAL GOVERNMENT PORTAL – EDITED AT THE OFFICE OF THE PRESIDENT OF THE
PHILIPPINES UNDER COMMONWEALTH ACT NO. 638**

Address of President Macapagal on Army Loyalty Day

**Address
of
His Excellency Diosdado Macapagal
President of the Philippines
On Army Loyalty Day**

[Delivered on September 26, 1962]

LOYALTY TO DEMOCRACY

MRS. MACAPAGAL and I are grateful to you for this occasion which is related to my birthday which takes place on September 28th. This event has been set for today altho my natal day takes place two days from now because in accordance with my practice since my obscure childhood and youth, there will be no celebration on my birthday. National leaders, members of the cabinet and personal friends have asked me to give them an opportunity to commemorate my birthday but I have declined all their thoughtful offers. Because I feel that I am part of our Armed Forces and that our Armed Forces and I are fighting together for a common cause, the only exception I have made is to appear before you today.

As I look back at the past nine months of my incumbency, I have specially cherished my responsibility as commander-in-chief and as part of our military organization. One of the acts which I will always fondly recall was my act of approving the base pay of the enlisted men in our Armed Forces. As I am now providing for multi-storey tenement housing for the poor in our congested areas, we must be relentless in the administration's other project of providing better living quarters and housing for the enlisted men and their families. Having previously increased the pay of the enlisted men, I shall next take immediate steps to increase the pay of the officers of the various services of our Armed Forces.

This day is traditionally Loyalty Day when the Armed Forces attest their loyalty to their Commander-in-Chief as another warranty of the stability of our democratic institutions. Today, I invite you not only to reaffirm your loyalty to your Commander-in-Chief but for us to reaffirm together our common loyalty to the Constitution, the democracy which it enshrines and the sovereign power of our people which is the source of life and strength of that democracy.

We mark this day with notice that the efficiency of our Armed Forces has been enhanced. I have gone through the mid-year report of the Secretary of National Defense and have found it to be an impressive narrative of achievements never before achieved by our military organization. The reason for this is not difficult to find. Our soldiers are conscious of a good reason for working hard under our administration. There is a living answer to Dr. Rizal's searching question: "Don't you realize that that is a useless life which is not consecrated to a great ideal? It is a stone wasted in the fields without becoming part of any edifice." Officers and men of the Armed Forces, I feel sure that you and I, our loved ones and the generations after us, will be proud of the structure of a better Philippines that we are now building together, a haven of a decent and contented life for our people.

We must reaffirm our common fidelity because as ever, our democracy is threatened from without and from within. The threat from without is a common responsibility of ourselves and our allies in the free world against the ideological enemy. The clouds of danger are darkening in the skies over Cuba. I believe and pray that war will not yet come. But if it is God's will in His Inscrutable wisdom that it will come and because we as a people are passionately dedicated to freedom, we can assure our allies that as in the past, the Filipino soldier under our command shall be ready to fight, if necessary to die, in order that democracy might live.

It is the threat to democracy from within, however, that we should particularly guard against today. The menace does not ensue alone from the ideological foe but also from those country-men who would show concern over democracy with their words but endanger it with their deeds. Wittingly or unwittingly, these compatriots endanger the security of our democracy by their idolatry of its forms and weaknesses in preference to its qualities of strength even if in so doing it would fail to achieve the well-being and prosperity of our people, thereby making our system by its failure and impotence a prey to the communist vultures which alertly await its weakening and decay in order that they may strike the mortal blow of conquest and tyranny.

Our country is passing through critical times. Because of the retrogression of the past which placed the country on the brink of disaster, ripe for a take-over by the awaiting ideological enemy, moral and socio-economic reforms became imperative after the people staved off the impending collapse through a herculean assertion of their sovereign will in the last polls.

In obedience to the sovereign mandate and to insure our democracy against renewed disintegration and defeat, we have launched needed reforms and set out to implement them.

As expected, the forces of reaction have moved and mobilized to resist the march of progress. The politico-economic royalists who before vied for the spoils of exploitation and who now saw their common position of privilege threatened have combined their forces to use their vast economic power, the complex information media which they erected and controlled for just this eventuality, and the flaws of the law in order to maintain the status quo. In their overweening power, they have even used as shields a weak and helpless part of the working masses whom they have sought to exploit. For their part, the politicians and their mouthpieces who have lost the privileges of corrupted power have joined the resistance to reform and progress by making unbridled use of licentious criticism which one critic has defined as the right to make criticism “which is not necessarily right and constructive and may be foolish.” Of one thing, we can be certain: That efforts of these forces of status quo will be wittingly and unwittingly joined with those of the awaiting communists who are always ready to join them in weakening the ramparts of democracy, a circumstance which the defenders of the status quo will disregard so long as they can destroy the forces of progress and preserve their accustomed spoils and privileges.

In this situation, the unswerving loyalty of the Filipino soldiers to democracy and order against communism and chaos is a beacon light. Politicians who almost delivered this country to communism through graft and maladministration have shown that they are not concerned with the safety of democracy as long as they can overcome their political foes and they can have the selfish privileges that can be derived from power. Economic vested interests which have thrived from misuse of public authority have shown that they will cling to their pedestal of monopoly against the cause of democracy. Even some of those who have posed as champions of the workers have shown amenability to joining hands with the vested interests to the detriment of a healthy democracy in order to obtain crumbs from the feast table of privilege. Only one man and one group has been unfaltering and steadfast to the cause of freedom—offering at the altar of democracy not the lip service of the politician, not the blasphemous avowal of the economic exploiter, not the betrayal of the false champion of the worker—the Filipino soldier who has offered not merely his loyalty in life but his blood in death to keep democracy safe and true for our country!

The Armed Forces have lent their strength and their talents to bolster the national effort in our war against poverty and economic injustice, against the political misuse of wealth, against graft and corruption, and against the vices which sap the nation’s moral strength. Not a single bullet has been fired by the Armed Forces in this war against evil and yet its victories have been outstanding and constructive. This is evidence of the growing maturity of our democratic government where the soldier is a true citizen keenly aware of his country’s problems and who earnestly desires to lend a hand towards the solution of those problems. Our experience stands in sharp contrast with less fortunate countries where the citizen is forced to be a soldier in order to be used as an unreasoning tool of totalitarian regimes.

We welcome every idea that aims at the welfare of our country, that contributes constructively to the common good. But when the idea is obviously aimed at gaining for its proponent the dubious distinction of having hit the President or aimed at agitating the masses against the administration irrespective of resultant harm, the nation will never gain by it, the nation—that you and I and all of us in the majority are pulling together out of the mire in which it had been sunk by corrupt politicians and avaricious vested interests will go back to perdition.

Let us carry on in the Armed Forces with deeds of heroism in peaceful action added to the saga of courage and valor you have written with your blood in combat. The problems of our country call for a new type of soldier, one who can fight well both in peace and in combat. The Filipino soldier of today must be prepared to display the type of heroism that PC Captain Diamongan Mangondato and his men and Sgt. Remigio Mabagos and his men have shown, and at the same time fortify himself for action along another battlefield where one who has less courage and who errs may not lose blood but may lose his soul, a disaster more costly and disgraceful than misbehaviour before the enemy. Let us all strive to develop this new kind of heroic soldiery in our Armed Forces in order to help our country and people ascend to the high and safe ground of hope and progress. Our course of combined arms must not teach the soldier a proficiency in the use of gun and bayonet and equipment alone, but must also instill in him a confidence in the armor of an incorruptible morality. Not the type of morality that stands on such dubious propositions as that which claims that because a man is high in social standing and has sufficient publicity agents, his ill-gotten wealth must not be touched. If such a man is shocked because his illicit deeds hidden under a veneer of new-found saintliness is uncovered, he has only himself to blame. For the military man, I expect him to have a life of virtue from the time he starts as private to the time he becomes, if possible, a general. I know that the Filipino soldier with his genuine virtue, even after he had reached the apex of his career if he is found to have been an offender in his earlier days, would be willing to pay for his offense.

The spokesmen of the status quo attribute to us acts that supposedly endanger democracy. Always adhering to the Constitution and the law of the land as enunciated by the Supreme Court, we have only sought to make our democracy work in order to create conditions of equal and fair opportunity for all our people to attain a better life. In other words, to make our democracy, within the Constitution and the law, a benign implement for the well-being of our people and not an instrument of torture for their misery. On the other hand, what have our critics done and what do they now propose to do? For some eight years, they exploited the weaknesses of our democratic system in graft and abuse until our people almost lost their faith in democracy itself. And now that moral and socio-economic reforms are being attempted as an imperative act of dedication to the well-being of our people, instead of putting their shoulders to the wheel so that there may be a total and national effort for survival, they sow discord and confusion by making hollow claims of loyalty to the cause of democracy which they had before betrayed, unmindful that if we fail in this moral and socio-economic program for a better life for our people, our system of government will lose favor in the sight and patience of our people and the democracy which our critics glorify by their words will meet death by their deeds.

Amidst the chronic betrayal of democracy by others, we shall not despair. We and those like you who are with us in upholding democracy because we truly love freedom, including the effective freedom to achieve a better life, will not be daunted no matter how hard the fight and no matter how strong reactionary foes may be. Knowing the invincible valor of the Filipino soldier and his unfaltering loyalty to democracy and the Constitution upon which it stands, we know that as long as one soldier is alive, democracy shall not be dead in our land.

You have dedicated this occasion to my birthday. Again I thank you from the depths of my heart. In thanking you, I would like to state that what will give me happiness is not that September 28th shall be remembered as my birthday but that with your help and the help of all good citizens, my administration shall be remembered as a day of birth for a more genuine and effective democracy in our country that shall mean not continued privilege for a few but equality of political and economic opportunity for all our countrymen.

Source: Presidential Museum and Library

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Radio-TV Address of President Macapagal in the program “President Macapagal Speaks to the Masses”

**Radio-TV Address
of
His Excellency Diosdado Macapagal
President of the Philippines
In the program “President Macapagal Speaks to the Masses”**

[Released on October 10, 1962]

FOOD AND FREEDOM

TONIGHT I would like to speak to you on the subject of food and freedom. I chose this subject because the opposition has tried to make it appear . . . unfairly . . . that under the present Liberal Party Administration, a choice must be made between food and freedom.

At the outset, let me state, so that there may be no further question, that under my Administration, no choice need be made between food and freedom . . . that, in fact, through our vigorous program of government, we in the Administration seek to bring within the reach of our people both food and freedom.

I am happy to report that while the opposition is busy making an artificial issue of food and freedom, we in the Administration have begun to succeed at the task of making this life's necessities available to all our people.

Chairman Cornelio Balmaceda of the National Economic Council in a report dated October 4, 1962, stated that “food production for domestic consumption increased by more than three per cent.”

Mr. Bernardino Ronquillo, a reputable and objective economic analyst, wrote on October 4, 1962:

“The rise of prices has not been as steep or serious as feared . . . The economy is not doing so badly considering the adoption of such drastic measure as freeing the exchange after more than a decade of controls.”

I shall later quote more extensively from these two reports and cite a few others to show that there has been a healthy progress in our efforts to improve conditions in our country. The Administration does not lay claim to solution of all national problems for we have barely started. Much still remains to be done. But what we have accomplished so far gives us reason to hope for a better life for our people.

There are today three forces contending for a decisive voice in determining the course of our national life—whether or not we and our children shall have food and freedom. These are, first, the Administration and the majority party; secondly, the opposition and its supporters; and thirdly, the communists and their sympathizers. Tonight, we shall concern ourselves with the first two forces and leave the third for future dissertation.

On one hand, the Administration offers its positive program of government, specifically, its program for moral regeneration, accelerated socio-economic growth and general reform. On the other hand, the opposition groups offer to the public their criticisms, whatever may be their validity and effectiveness, and, during periods near national elections their own alternative program of government as a substitute for the program of the present Administration. Whichever of these two forces prevails will determine the conduct of the people's affairs and the future of the country.

As regards the third force emanating from the communists, which we shall discuss in the future, we only ask that the opposition now refrain from saying or doing anything that would further communist ends or from trafficking with the communists. Both the Administration and the opposition should be loyal to the free way of life and to the principles of democracy which communism seeks to destroy. As long as the two political parties refrain from joining forces with the communists, our democracy and our country will be safe no matter how severe partisan struggles

may become. In contending with each other, it is expected that the two parties would employ means of attack and defense which are generally accepted in a democracy. We take this occasion to assure the opposition that in contending with them, we shall adhere to fair and customary means that are sanctioned by the Constitution and the laws of the land. In asking the opposition not to resort to the desperate recourse of teaming up with the communists which has proved to be a dangerous expedient in other countries, we would be lacking in candor if we did not state that upon clear proof that any leader or group in the opposition party has joined hands with the communists, we shall consider it our duty to take such steps as are sanctioned by the Constitution and the law in dealing with communist forces in order to safeguard the security of our country.

In our appraisal, the force that normally is generated by the opposition has weakened since the Administration not only launched its positive program of government for moral renaissance and socio-economic progress, but also set out to execute resolutely the program despite odds and obstacles. Indeed, it is difficult to stem the march of authentic reform and progress, particularly by those who by their own previous excesses cannot summon the moral qualities required in a great contest and endeavor.

Thus, the opposition has retreated from one untenable position to another. Exulting prematurely over the prospects of the Stonehill case on which they had the initial advantage because of the prominent participation in the prosecution of one of their partisans, they were soon confronted with the truth that this case was but one of a series in a massive reform drive of the Administration. This series has already included the cases against Stonehill, Peter Lim, Ernesto Ting, Francisco Cokeng, William Li Yao, Ti Bio Suy, Vicente Kho, Robert Stewart, Fernando and Eugenio Lopez, and Jose Yulo. In truth, these cases do not represent the end of the anti-graft drive. From its abortive attempt to raise moral issues, the opposition shifted to the economic issues, like the prices of commodities, only to be confronted by the phenomenon that during this period of scarcity, rice is selling at from P0.85 to P0.95 per ganta, and that prices of other essential commodities have behaved satisfactorily considering the major economic reforms. The opposition also has been met by a successful shift in the fundamental pattern of the economy from controls to free enterprise and the auspicious launching of a sound socio-economic program which, as time passes, will continue to improve the price situation.

In frustration, the opposition next moved to the bugaboo of an ominous dictatorship, a criticism which, having no foundation in fact because of the Administration's blind respect for the decisions of the Supreme Court, subsided easily with the reinstatement of the chairman of the science board and a suspended provincial governor who was accused of terrorism. Thus, the tempting false issues based on food or freedom vanished before they could take form because by the very act of removing controls over the economic activities of the people, the Administration precisely enlarged the areas of freedom and through its vigorous program seeks to bring within the reach of the people food and freedom.

The opposition appears stumped by the authenticity of the Administration's twin program for moral reconstruction and socio-economic advance. Feeling a dearth in sensational exposes, the opposition would normally enjoy in an era of graft, the most that the present opposition politicians could attempt in the face of the integrity of the new regime was a labored and magnified narrative of a so-called "attempted scandal" in tobacco importation—in other words, a supposed graft that admittedly has not yet taken place.

The weakened force that stems from opposition criticism is good for the people because it conversely indicates that the Administration's constructive task for their welfare is being well received. During the early months of our regime, we were anxious about opposition criticism because those were critical days when we were effecting the fundamental shift in the pattern of our economy from regimentation to freedom, an operation the success of which depended upon public confidence.

Now we have a greater acceptance of the attitude of the critics of the Administration. From their recent utterances, it is obviously the attitude of some oppositionists that in a democracy the opposition must criticize. One oppositionist has written that the right to criticism includes the liberty to make foolish criticism and another that the President may ignore criticism merely for the sake of criticizing which is a right that has to be somehow exercised.

Frankly, we disagree with the view that the right to criticize includes the liberty to make foolish criticism. We believe that the proper exercise of the right to criticize, in order that it will not degenerate into license, contemplates sound and not foolish criticism. In the same manner that the Administration is expected to formulate sound and not foolish policies and decisions, the opposition ought to (make sound and not foolish criticism. Yet, although we disagree with the opposition's view as to the exercise of the right to make foolish criticism, we respect their right to their opinion. Knowledge of their wrong concept of criticism has, at least, a useful purpose in that the people will know how to evaluate the criticisms against the Administration.

We are being reminded by critics that when we were in the opposition, we personally exercised the right of criticism and that we should not now begrudge their right to criticism against the Administration. Apart from the fact that there were many valid causes for criticism at that time, we also took care that we had the moral authority to criticize by not being guilty of the wrongs we criticized and by not committing malfeasances in the discharge of our own public trust. As he who goes to a court of equity must do so with clean hands, he who would claim the right to make criticism must also do so with clean hands. Predicated on our own norm when we were in the opposition exercising the right of criticism, in viewing criticisms aired against us today, which we do not find valid or which does not conduce to the national interest, it is a legitimate defense on our part not only to show the fallacy of the criticism but also, in appropriate cases, to show that the critic has no moral authority to make such criticism because of his own guilt in the transgression of our laws and in the discharge of his public office.

There is only one criticism that we consider now necessary to comment on. It is the challenge to our attitude that the acts of public officials must not only be legal but moral as well. Would our critics want the country to go back to the corrupt past which justified graft because it was legal? In moments of extreme superficiality the opposition has alleged that we have no right to question the morality of a law because a law must be presumed to be moral. What is not perceived by the critics is that it is not the morality of the law itself that we question but the morality of its application in some specific sets of circumstances.

An illustration is the case of the now notorious presidential midnight appointments made on December 29, 1961. The law which vests authority in the President to make appointments as long as he is President is certainly moral. But its application under the set of circumstances to which the law was applied in this specific case was not moral, indeed to such a degree that the immorality vitiated the legal application of the law.

In disputing the validity of our ethical approach to public acts, it is argued that the President takes it unto himself to determine what is moral and immoral. If the President cannot determine the morality of official action, who will determine it? The opposition forgets that the President of our country, by virtue of his exalted position and the persuasive effects of his example, must necessarily exercise political, economic and moral leadership. To leave the determination of public morality to everyone would be chaotic since there would arise numerous conflicts of views, none of which would carry authority or sufficient persuasiveness.

By his position as the official leader of the nation, the President acts within his sphere of responsibility to set the moral guide for the nation. It is certainly beneficial for a country when its President pursues a higher moral criterion than a degraded moral standard. It is better that the moral basis of the law is not indiscriminately assumed to exist in all given situations because if legality were the sole test of official action in all situations, it would lead, as indeed it had happened in the past, to decisions and acts that would be corrupt and harmful to the community. It is better too that the determination of the morality of official action be made by a responsible authority, that is, the President of the country, because as long as he holds his position he acts by authority of the people and in the discharge of a responsibility entrusted by the people.

Having touched on the weakened force of opposition criticism, we shall now advert briefly to the force generated by the performance of the Administration in connection with its drive for moral rehabilitation and socio-economic development.

In the Administration's moral drive, we are confident that we have arrested graft and corruption and that we have set a new moral tone that will deter anomalies in the future. Despite the headway made and despite resistance, we shall push the moral program without fear or favor. While in its punitive phase the drive has been concerned with a few

exemplary instances, the punitive operation will continue in cases of guilt exhibited by clear evidence involving notorious offenders or in cases where the guilty parties against whom there exists prima facie evidence show incorrigibility. It is our view that the success of the moral drive has been outstanding in the upper echelon of officialdom, especially on the part of new appointees. We shall therefore proceed to insure that the ways of integrity will also be observed by the public servants down to the lower levels. Among the higher echelon involving especially our own appointees, we shall be ever vigilant. In our relentless moral drive, we shall spare neither friend nor foe, neither political opponent nor partisan supporter.

It is, however, in connection with our socio-economic program where we hope to unleash the most powerful, constructive and decisive national force upon which to stake the fate of our Administration and to achieve the role to which we aspire in the building of a greater Filipino nation. On this, we are gratified to report that we have effected the crucial shift from a regimented to a free economy, that we have coped with the transitory and transitional problem of prices, and that we have launched a universally considered sound and integrated five-year socio-economic program.

There is no question that immediate decontrol was imperative at the time of our assumption of the Presidency. No less than an official of the World Bank who made a searching study of the Philippine economy in 1961 has attested that if decontrol had been delayed further, it would have resulted in disaster to the economy. With decontrol unavoidable, the relevant question is how well it has been handled. We hold to the view that the shift has been done well. This view is shared by such authorities as Mr. Dragoslav Avramovic of the World Bank and former Governor Miguel Cuaderno of the Central Bank.

Our people may judge for themselves from the economic report of Chairman Cornelio Balmaceda of the National Economic Council dated October 4, 1962, an excerpt from which follows:

“The economy during the first six months of 1962 showed an expansionary trend. Food production for domestic consumption increased by more than 3%. For the crop year 1962, production of palay (rough rice) increased by 8% over that of the previous crop year. Similar increases were recorded in the export crops which have risen by 3.5%. The most significant increase was registered in sugar which showed a 10% increase in production in response to an anticipated increased quota in the US market. In mining, the estimates placed a 7% increase in volume of output in the first half of 1962 over that of the corresponding period in 1961. Available data for manufacturing production for the first quarter of 1962 show a 20% increase over that of the same period in 1961.

“A net receipt of \$37.08 million was recorded in the first six months of 1962 in contrast to a net deficit of \$37.42 million during the same period in 1961. The increased export receipts of \$30.98 million during the first six months of the year is the result of a higher rate of exchange coupled with favorable export prices. On the other hand, import payments decreased by \$28.02 million compared with the same period in 1961 as a result of the higher rate of exchange. Invisible receipts increased substantially as a result of the attraction of large sums of funds accumulated abroad due to the decontrol of the currency.

“The rate of exchange which opened at P3.50 per dollar for foreign exchange receipts and at P4 per dollar for foreign exchange disbursements stabilized at P3.55 and P3.88 per dollar, respectively. The wholesale prices of imported food products went up by 22.8% although domestically produced goods rose by only 3.1%. No doubt, the increased production of agricultural products served to dampen the increasing trends in the prices of domestically produced commodities on both the wholesale and consumer levels.

“To immediately alleviate the difficulties of the low-income groups who are most affected by the increases in prices of imported commodities like milk, canned fish, medicine and corned beef, the Government through the Namarco will continue to import these selected prime commodities to supply the total national requirement for the rest of the calendar year 1962 and for calendar year 1963.

“Monetary and fiscal restraints were exercised to complement the full decontrol. Private credit expansion increased the money supply by P99.3 million and foreign exchange transactions injected P59.6 million into the economy.

Altogether, money supply increased by P170 million at the end of June, 1962, over the money supply in the same period the previous year.

“It is assumed that the supreme monetary authority which is the Central Bank will take the necessary steps to provide whatever increase in money supply which in their opinion is proven to be consistent with the stable price level and the resultant growth in output.

“The country’s output of available goods and services at 1961 prices will grow at an average rate of 6.6%. Relative prices are assumed at 1961 levels . . . since this is the goal of government action.”

Lest it may be said by our critics that the foregoing appraisal is from a biased source, we invite attention to an appraisal made by Mr. Bernardino Ronquillo, a respected business editor of a morning daily, which follows in part:

”Lifting of control on exchange transactions has had a stabilizing effect on the economy. While the gains expected in the efforts to improve the balance of payments have been modest, the adverse impact has not been as severe as feared.

“The international reserve was up to \$132 million as of the end of August against \$103 million as of the end of 1961, a gain of \$29 million.

“Although imports rose by \$11 million to \$252 million during the January-May period of 1962 from \$241 million in the same period of 1961, exports increased by \$13 million to \$219 million.

“This reduced the trade deficit to \$33 million in the first five months of 1962 from \$34 million in the like period of 1961.

“The government’s budgetary deficit at the end of the 1962 fiscal year was also reduced to \$127 million from \$54 million for the 1961 fiscal year.

“Prices have naturally gone up as a result of decontrol. But the rise has not been as steep or serious as feared.

“The wholesale price index for export products has gone up even more steeply—by 29.1 points to 169.3 as of last August.

“The economy is not doing so badly considering the adoption of such a drastic measure as freeing the exchange after more than a decade of controls, and considering such miscalculation as over-tightening of credit restrictions.

“The economy should respond more vigorously to further easing of credit restrictions, release of new money for production and economic development.

“The full impact of credit relaxation and new spending is likely to be felt in the first half of 1963.”

A favorable trend in the economy now moves under the propulsion of its innate strength as reflected in the report of Central Bank Governor Andres Castillo at the recent meeting of the International Monetary Fund. Predicting a 6% rate of economic growth for 1962–1963, Gov. Castillo referred to the freed Philippine economy as an example which other developing nations may well emulate. Exuding confidence, Gov. Castillo also talked of developing countries not needing foreign aid and instead needing only trade. This optimistic and prideful reference to the economy by our official spokesman in world economic agencies is a contrast to their previous gloomy reports in the past when they could only talk of difficulties and crisis characterizing the Philippine economy under controls.

Another favorable indication is the uniform report of increased interest of foreign investors to come to the Philippines. Vice President Pelaez reported the other day that there is increased confidence among American

business leaders in the Philippine economy. Senator Lorenzo Sumulong also reported that more American businessmen have become interested in investing in the Philippines.

With God's grace, success under the socio-economic program is inevitable even as failure was imminent under controls. Under controls, those favored were the importers, the foreign producers and the influence peddlers who through connections obtained dollar licenses for favored persons, and those prejudiced and discouraged were the experts and local producers. In such a situation, the economy could not grow healthily. It was obvious that if controls were successfully removed, the economy would expand on its own strength because under decontrol, with the peso value of locally produced goods being higher, farmers, exporters, and local producers would earn more and thus be spurred to increase their production. This would mean more jobs, more income and more goods that spell prosperity. We have personally observed signs of this favorable movement of the economy in the increased income of the copra growers in Laguna, copra and abaca growers in the Bicol region and the abaca and plywood producers in Davao.

The outstanding fact in the situation is that the administration has passed through the critical period in the bold effort to discard a regimented economy for a free economy and steer the country in the direction of fast economic and social progress in freedom. This raises a grave responsibility for both the Administration and the opposition. For the Administration, it exacts from its key officials and even the entire government personnel a duty to redouble efforts in order that the initial success in the first phase of the socio-economic development endeavor will not go to waste through a smug sense of complacency and failure to undertake a sustained and vigorous implementation of the program until its final success.

We urge the cabinet members, the heads of the public agencies concerned, and all public officials and employees to work harder in order to assure that the nation's socio-economic program which has been so auspiciously launched will not fail by getting bogged down in an attitude of disorganization and idle-inclined routine in its implementation. The program having been successfully launched despite overwhelming difficulties, let us push the initial success to its finality through a vigorous, sustained and proficient implementation for the sake of a better and happier livelihood for our people.

For the opposition, the challenge is even harder and greater. The call to duty addressed to them involves the supremely patriotic decision of possibly sacrificing their political future for the sake of the prosperity and happiness of our people. We ask them to consider the proposition that at no time in our post-war history has a greater opportunity been offered to our people and its leaders for the attainment by our population of a better and happier life than that which is in store from the continuing and final success of the Administration's socio-economic development program. Will the opposition spurn the opportunity for patriotism and greatness from their whole-hearted cooperation for the success of this program or will they prefer the selfishness of their partisan interests by withholding such cooperation and seeking to cause the failure of the program?

We trust that the opposition will rise to the challenge of greatness by helping the Administration to insure the continued success of the nation's socio-economic program. Insofar as their partisan interests are concerned, candor impels us to observe that by according their full cooperation and assistance for the conclusive success of the nation's undertaking towards economic and social fulfillment, the opposition will not thereby be necessarily acting in detriment to their political interests. Our prime concern is to succeed in the responsibility that we have accepted from our people and upon being satisfied that we have discharged this responsibility in the eyes of history and posterity, we shall act with thorough justice to both the majority and opposition parties and their leaders in their subsequent bids to our sovereign people for the continuation of the task that we have assigned and satisfactorily discharged for ourselves as our role in the endless undertaking of building an ever greater and prosperous nation.

Above that of the Administration and the opposition, the responsibility of our people is even more paramount for the success of the program. Under free enterprise, economic growth and progress lie in the hands of the citizens. The government will be ready to help by exercising fiscal discipline in its own operation, by prudent spending of the people's taxes for maximum social overhead projects, by providing better statistics and sound business guidance and by just allocation of available public credit facilities.

The main task, which is the making of sound investments and the development of savings, now depends on our people. Because of our faith in freedom, we have restored free enterprise to the extent that it is practicable in this age. In this system, the opportunity and responsibility for economic success pertain to the people. We trust that our businessmen and the citizens realize this fully and will act accordingly by seizing and holding the initiative in availing of their opportunity and discharging their responsibility. Freedom is a precious right and boon. To deserve the right, its responsibility must be accepted and fulfilled. Under this Administration, it is now in the hands of our people to prove that they have the ability to make use of their freedom in order to bring about their economic security and well-being. The mighty task at hand is to attain both food and freedom for all. May God Almighty bless us in this great and crucial endeavor.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Speech of President Macapagal before Emergency Employment Act (EEA) Supervisors

**Speech
of
His Excellency Diosdado Macapagal
President of the Philippines
Before Emergency Employment Act (EEA) Supervisors**

[Delivered in Baguio City, October 17, 1962]

WAR ON UNEMPLOYMENT

THE completion of this first training course for field supervisors marks the first significant stage of wide-ranging programs which the Emergency Employment Administration has mapped out for itself. This training course and the others to follow are the preliminary steps towards translating the Emergency Employment Act of 1962 into a program of action.

To you who have successfully completed this training course, we offer our congratulations and our thanks for your willingness to participate in the projects which the EEA will launch in the near future. We are happy to note that you devoted a major portion of your training course to a study of the Five-Year Socio-Economic Program which we have adopted as the principal blueprint of our Administration. We are also happy to note that the spirit and the content of this whole training course were oriented towards the objectives and the requirements of the Five-Year Program with which the provisions and the mandate of the Emergency Employment Act are in general agreement. It would be appropriate, therefore, to take this occasion to restate and to set in proper perspective the relations between the emergency employment scheme and the over-all aims of the socio-economic program.

In launching the socio-economic program as the long-range and permanent solution to the problem of poverty, we realized that it would take an appreciable period of time before the fruits of the program shall be harvested in the form of increased and adequate jobs, income and goods, which are the elements of prosperity. This transitional period between poverty and prosperity would arise not only from the time required for the making of necessary investments but also from the stabilization of climate of confidence in the new setting of free enterprise after over a decade of uncertainty, timidity, and confusion in the discarded controlled and graft-infested economy.

During the interlude, it was necessary to reassure the people that the program of progress in freedom would work out in order that they would maintain their faith in the economic effort and bear with fortitude the continuing difficulties attendant to the interlude. Towards this end, we formulated two transitional measures. The first was a rice and corn program that would insure to the people their staple food at prices within their reach. Thus a new Rice and Corn Administration was established not only to assist in formulating a permanent solution to the problem of rice insufficiency but also to assure during the non-harvest period an adequate supply of the staple at prices within the reach of the masses. The most difficult period of the non-harvest period being now over, we are now in a position to state with satisfaction that our rice and corn program has succeeded where the previous Administration had failed last year. Under the previous Administration, despite importation of rice valued at P30 million, at this time of the year, rice was selling for P2.50 and P3.00 a ganta, if you could find it. Now under our Administration, although we do not resort to rice importation, rice is in abundant supply in the country, selling at from P0.85 to P0.95.

Let me avail of this opportunity to extend to RCA Manager Jose Feliciano and his staff our congratulations and the gratitude of our people for doing their crucial task splendidly to the everlasting credit of our Administration, which has shown that in the same manner that in the first year of our regime, we have successfully handled the perennial problem of rice scarcity, we shall be able to handle completely and successfully the other problems of the country.

The other transitional measure that we conceived was to provide immediate employment to our unemployed to supplement the long-range endeavor of private enterprise in providing permanent job opportunities under the socio-economic program. For this purpose we established the EEA which is the counterpart of RCA in our transitional rice

and corn program. The fact I would like to state is that as the RCA has performed splendidly its crucial task, I entertain no doubt in the fulfillment of my hope that you in the EEA will duplicate the performance of the RCA and prove the EEA is in fact as sterling and good if not better than the RCA.

The question which we seek to answer here is this: how does the emergency employment program fit in with the over-all aims of the five-year plan? There are two aspects to the answer. The first is that the projects in the pipelines of the Emergency Employment Administration cover some of the areas which the five-year program considers most vital to our country's economic growth. These projects involve the preservation, restoration, and judicious exploitation of our natural resources, the construction of essential public works infrastructure, and the development of the skills of our manpower. The Emergency Employment Program seeks to mobilize government funds in order to tap the ranks of the unemployed and to provide them with productive jobs in those areas where the potential benefits are bound to be immeasurable, such as forest conservation, agricultural extension, youth conservation, cottage industries and land clearance, not to mention the many other projects to be covered by the EEA's regional, provincial, and district programs. Besides providing many of our unemployed citizens with modest sources of livelihood, these programs will let the country benefit from the exercise of the skills of their otherwise idle hands.

The second aspect of our answer concerns the respective horizons of the Emergency Employment Program and of our Five-Year Socio-Economic Plan. The present scheme for providing emergency employment must be seen as part of a larger and more comprehensive picture of what we are aiming at in the long run. In the long run, we aim to create those conditions under which a high level of employment would be a matter of normalcy rather than of emergency. In the long run, we strive to transform our economy into a system that generates jobs out of its own vitality rather than by means of emergency measures. Permanent employment sustained by an active economy is much more desirable than emergency employment sustained by public expenditure programs. Emergency measures are by their very nature temporary in duration.

But even as we proceed from this point to the full and vigorous implementation of the Emergency Employment Program, we shall also proceed to translate the targets of the Five-Year Socio-Economic Program into reality by stimulating a steady stream of public and private investments. Even as we push this Emergency Employment Program towards the worthy achievements it aims at, we shall also be working to stimulate production all around and to build a strong industrial economy where jobs will be plentiful and where emergency employment measures will be largely unnecessary, for in the last analysis no country can live permanently on emergency. While emphasizing that this present employment program, of which you are part, deserves the full support of the Congress and of our Administration, it has of necessity a limited time horizon. It cannot be a permanent philosophy. Our permanent philosophy, our long-run aim, is to make a high level employment a normal state of affairs and not a matter of emergency.

The number of jobs generated by the economy every year depends on the rate it expands its productivity, and we can increase production only by increasing investments. This is the hard core of the Five-Year Socio-Economic Program to attain that rate of investments which would increase our gross domestic product at the target annual rate of six per cent on the average for the next five years. In quantitative terms, this means that an average of 16.1 per cent of gross domestic product must be channelled into gross domestic investments annually and, of the total estimated requirements in fixed investments, the government should be able to contribute about one-fourth while the rest would come from the private sector.

The government's share of fixed investments would take the form mostly of essential public works and related developmental projects. Part of these are now entrusted to the EEA for implementation. But the task of investing in production and of thereby providing employment to the people belongs mainly to the private sector. Economic development is the primary responsibility of private enterprise and not of government. The prospect of attaining relatively full employment for our country in the future depends on the aggressiveness with which private business invests in increasing the productivity of our agriculture and to a large degree on our manufacturing, mining construction, transportation, and service industries. For this reason the five-year program calls for the formulation of monetary fiscal and commercial policies designed to make it highly attractive for the private sector to invest in the country's productive capacity, particularly in those areas which by virtue of the people's needs enjoy a high priority.

The part of the government and the role which the Emergency Employment Administration now shares in fulfilling is that of providing a proper milieu in which private enterprise would flourish to provide the infrastructure, the guidance, and inducement and protection which our businessmen need in their efforts to develop our country's resources. The projects of the Emergency Employment Administration of which you shall act as field supervisors, are part of the government's efforts to build the proper bases necessary for the growth of enterprise. How far you may ask have we gone in the implementation of our program? What have we done these past ten months by way of translating our promises into performance?

When our people awarded us the mandate to guide our nation we found our nation stricken, fast sinking into economic stagnation and moral bankruptcy, buffeted on one cheek by graft and corruption and on the other by weak and confused leadership. We found its wealth being sucked by a few but powerful blocs of speculators who believe that acquisitiveness is an ideal and that Mammon is God. We found its strength being sapped by parasitic public officials and dissipated in pursuits without purposes, in undertakings without cause. We found a prostrate nation crying out for relief, for rehabilitation, for a return to the old and almost forgotten values of honesty of simple living, of hard work. of commensurate reward.

Finding this situation, the Administration immediately undertook a two-pronged drive to get our program of government going and with it our country moving to the path of real progress, real justice, real equality, of opportunity for all.

The first part of the drive was aimed at building a climate to ensure against the recurrence of graft and corruption, of questionable speculations and destructive business practices. It was aimed at demonstrating to those still adhering to the practice of *abilidad* and hand-greasing that this new Administration will not allow anyone to profit through chicanery, through the exploitation of our masses.

By taking drastic and speedy action against some of the more notorious economic bandits in our midst, I believe we have succeeded in driving home the message that we stand four square for equal opportunity to all and against any form of less-than-moral machination, whether in business or in any other field of human endeavor.

Many have raised their voices against these measures, but we believe that strong vital government action is necessary to the successful prosecution of any emergency program. In our drive, we are neither against the rich nor promoting class war. On the contrary, we want more of our people to become rich through honest toil and legitimate means. We are only against those who become rich or seek to become rich; firstly, through corruption of public officials; secondly, through misuse of public office; thirdly, through misuse of political power; and fourthly, through violation of our laws by enriching themselves through these illegitimate means. These types deprive the hard-working decent citizens and the common people of fair and equal opportunity to advance or to become rich, thereby weakening our democratic system and preventing rapid and general progress. We shall be friend and helper to all our people, rich or poor alike, who strive for wealth and livelihood through fair means and hard work. But those persons, rich or poor, alien or citizen, who manipulate themselves into ill-gotten wealth through the aforesaid roguish means, are not only our adversaries but are enemies of the people, whose evil power we shall resist and seek to overcome on behalf of our people in order to establish conditions of equal and fair opportunity for all citizens in our democracy.

The essence of our reform effort is to make democracy a vibrant one in our country by establishing not only a government of and by the people but a government for the people, that is, a government that does not allow its benefits and the wealth of the land to be cornered by a privileged few but a government that makes those benefits and wealth effectively available to all the people. To bring this about, it is our duty to ensure that no man is so powerful to be above the law and no citizen is so weak as to be denied his rights accordingly.

We are resolved that under our Administration, whosoever shall trample upon the law, no matter how rich, influential, or powerful, shall not be so big as to be beyond the toll and penalty of the law. Likewise, we shall not allow that any citizen shall be denied his right or be done an injustice on account of his poverty and hereby assure such an oppressed citizen that we shall place all the facilities of the state to uphold his right to prevent or rectify the injustice against him.

It is in this inspired national endeavor that the Emergency Employment Administration has a major part to play, and as field supervisors, as employment technical and fiscal and supply officers for the projects to be launched by the EEA, you will be in the forefront of all this effort, laying the groundwork at the grassroots level for the country's future growth, custodians of public funds, as recruiters of the men to be employed in these projects, and as the immediate commanding directors in charge of seeing that the work gets done. You carry a vast responsibility on your shoulders for which you shall earn the gratitude of the nation. With proper performance of your duties when these projects begin, you shall be placed in immediate command. The success of these enterprises will depend on you. You must perform your tasks with nothing but the public interests in mind. Let nothing in your work serve the selfish political interests of any individual or any group but only the long-run interests of our people. As a whole, let us refute in practice the accusations of skeptics that this programs will degenerate into an expensive political instrument Let us prove in practice that this Emergency Employment Program is one designed to vindicate itself by giving the unemployed a chance to participate in the urgent task of nation-building.

We are at a cross-road in our history to safeguard our freedom from communist slavery. We are beholden to make democracy work as an implement for the attainment of a better and happier life for our people. The tenure of our Administration is the opportunity to make a decisive beginning in this critical endeavor, because we in the Administration recognize the nature and gravity of the task and have grimly resolved to consecrate ourselves to the crusade. Indeed, we are engaged in a crusade.

You have not only joined the EEA, which is a vital agency of our historic movement; you have joined a holy war for a real democracy that can succeed in reducing poverty in this undertaking. Nonchalant and routinary ways of work are not acceptable in your assigned parts. It will require of you initiative, energy, dedication. In truth, the work will require fortitude and sacrifice. In congratulating you and wishing you Godspeed, I mutter the prayer that you will be equal to the exciting demands of the peaceful revolution that we have set into motion because the reward is infinitely gratifying, being nothing less than a secure Filipino nation living abundantly and happily in the ways of freedom.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

NATIONAL GOVERNMENT PORTAL – EDITED AT THE OFFICE OF THE PRESIDENT OF THE PHILIPPINES UNDER COMMONWEALTH ACT NO. 638

Address of President Macapagal at the inauguration of the Government Service Insurance System (GSIS) Building

**Address
of
His Excellency Diosdado Macapagal
President of the Philippines
At the inauguration of the Government Service Insurance System (GSIS) Building**

[Delivered in Dagupan City, October 18, 1962]

THE ROLE OF THE GSIS

I AM happy to participate at this inauguration of the new Northern Luzon Regional Office Building of the Government Service Insurance System. This is a significant event in the development of the capital market in this country. It provides new and improved facilities to enable the people of this area to have easy access to the services of this vital institution. This building will further facilitate the mobilization of the savings of Government employees and their addition to the total capital funds available to the country for the pursuit of its economic growth.

It is fitting to look upon this occasion in terms of its symbolic significance to the 5-Year Socio-Economic Program which this administration is now in the process of implementing. The GSIS, along with other government financial institutions, provides the indispensable service of mobilizing the savings of the people and channeling them into the hands of productive investors.

I am happy to announce that the savings entrusted by the citizens of our country to the financial institutions of the government, including the Government Service Insurance System, are being utilized in the most efficient manner and in a pattern that will best promote the rate of increase of the output, income and employment of this country.

We are departing substantially from the inefficient habits inherited from the past. We are discarding the established practice of letting each government financial institution, or for that matter, each government executive department and corporation, pursue their own programs and push their own projects independently of one another.

We shall insist upon the integration of the projects of the various government agencies into meaningful and technically consistent packages. Our program is premised on the principle that the Philippines will grow and flourish mainly through the efforts of private enterprise. We shall seek to influence the investment activities of the private sector through the exercise of judicious monetary, fiscal and commercial policies. While it used to be that each government institution programmed its loans to the private sector with little reference to the policies of others or to the overall requirements of whatever national program was then in existence, we are now establishing a common set of criteria and a common set of procedures for all these government financial institutions together. To this end, we have established a Loans and Investment Council composed of representatives from these institutions and from the Program Implementation Agency to draw up a procedure for coordinating their activities. This promises to be an effective instrument for insuring that a substantial part of the efforts of the private sector will fulfill the role envisioned for them by the Five-Year Program.

One of the institutions represented in this Council is the Government Service Insurance System. I bring this up to assure all government employees that their savings in the GSIS will be used to promote the economic growth of this country and to achieve the common national goals that we all aspire for. I wish to assure them that through their savings they will have a direct hand in the task of building for ourselves a vigorous nation. And I wish to emphasize

that this expansion of the facilities of the GSIS is part of a wide-ranging effort to translate the funds saved by the community into the solid, real capital structures necessary to realize the long-run targets of the Five-Year Program.

Indeed, I consider the Government Service Insurance System as one of the leading financing institutions which will spearhead a concerted effort to translate into action the socio-economic development program which I have enunciated for our country during the next five years.

I am happy to know that the GSIS today is playing a vital role in the implementation of the economic program of the government because I consider the GSIS an indispensable cog in the machinery of the government.

I recognize the GSIS as a vital agency of our government that can surely help this administration in the fulfillment of the spirit and purpose of our five-year socio-economic development program.

I recognize the GSIS as one national institution that has always done its best to help the government in its multifarious duties of providing for the social improvement and economic security and stability of our country.

I recognize the GSIS as a governmental office that will always continue to cooperate with us and foster this administration's plan of assuring the happiness and contentment of the lowly government employees.

I am happy to note that the GSIS, judging from the latest progress report submitted to me, has attained considerable progress, especially in alleviating the economic status of its members. While before the poor government employee earning P100.00 a month could hardly raise money to meet his obligations and sometimes was forced to borrow from loan sharks at exorbitant rates of interest, the GSIS has come to his rescue with service loans like salary and policy loans.

Where before the poor government supervisor earning P200.00 or more a month could hardly provide a decent home for his family unless he had to sell properties here and there or inherit tremendous sums from his parents, now the GSIS has strengthened his economic security by providing him the credit facilities with which to construct a house which he can call his own after a ten-year amortization. Whereas before the poor government employee had to wait from, say, 6 months to 6 years before he could collect his retirement pay and enjoy the fruits of his toil and labor at the brink of death, now, thanks to the GSIS, he can enjoy these benefits extended to him with the maximum of speed and efficiency and the minimum of red tape.

On this inauguration of the Dagupan branch of the GSIS, I wish to congratulate the management and the board for the steady but enviable expansion as well as the thousands of government employees including soldiers, teachers and clerks in all government offices in Northern Luzon because without their support in the form of premium contributions and amortization payment the establishment of this branch of the GSIS in Dagupan City would not have been a reality.

There is one vital fact concerning our socio-economic program which must be emphasized. It is the fact that its success is in the hands of the people themselves. This is because the program is based on free enterprise, which means that economic activities have been removed from government control and placed in the hands of the businessmen and the people. The success of the program, therefore, does not depend on the LP administration or the NP opposition. It now depends on you the people.

In accordance with our pledge during the campaign, we have discarded controls because it was the main cause of the complaint of officials and because we believe in the freedom of the people to work for their own prosperity and welfare. Under controls, you could not put up a business without the government's permit and you could not even travel abroad without the government's consent. Now you are free to put up any business you want and it is none of the business of the government to stop you. On the contrary, the government will help you in your problems, give you statistics and guidance about your proposed venture, build the roads and other public works needed and help you obtain credit and capital either through a loan from a government credit institution or a government guarantee in a private bank.

In brief, the administration has restored your freedom of business pursuit in order that the growth of the country and the pursuit of your personal prosperity shall lie in your own hands. We have done this not only because we believe in freedom but because we have faith in the Filipino—we have faith in the capacity of our people for hard work to attain a better livelihood if given a chance under conditions of fair and equal opportunity for all. These conditions we have created and will continue to preserve, so it is now up to our people to invest, to work hard and to bear with fortitude the trials of honest toil so that together we shall quickly turn our rich natural resources into a rich life for the great mass of our countrymen.

I extend my heartfelt and sincere congratulations to all the officials and employees of the GSIS on this inauguration of their new building. I call once more on all the officials and employees in the GSIS to meet the challenge and expectations of my Administration and of our country and people to pledge anew all your efforts and resources to make our common dream in promoting the general prosperity and happiness of all our people a reality.

Source: **Presidential Museum and Library**

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**NATIONAL GOVERNMENT PORTAL – EDITED AT THE OFFICE OF THE PRESIDENT OF THE
PHILIPPINES UNDER COMMONWEALTH ACT NO. 638**

**Speech of President Macapagal at a State Dinner given in his Honor and Mrs. Macapagal's Honor by
President and Mrs. Adolfo Lopez Mateos**

**Speech
of
His Excellency Diosdado Macapagal
President of the Philippines
At a State Dinner given in his Honor and Mrs. Macapagal's Honor by President and Mrs. Adolfo Lopez
Mateos**

[Delivered at the Manila Polo Club, October 22, 1962]

OUR FRIENDSHIP IS LOYAL AND SINCERE

MRS. MACAPAGAL and I are highly honored by this splendid testimonial dinner offered by His Excellency, the President of the United States of Mexico. I wish to offer my thanks to the Mexican Government and to His Excellency in behalf of my people and my humble self.

Excellency: the itinerary which you have followed in your present trip to the far regions of the East is fast approaching its end, and pretty soon you shall return to the warmth and affection of your homeland. Undoubtedly you shall carry with you as cherished treasures the memories of the receptions and the honors rendered to your illustrious person and to the great people that you represent in the various countries which you have visited.

Somehow, I nurse the hope that the spontaneous cordiality shown to you by the Filipinos will occupy a proper place in your memory. I use in this instance the word cordiality in its purest meaning, as something that comes from the bottom of the heart—for such is the cordiality felt by my people for the Republic of Mexico and its President. And it comes not only from the great historical affinities which I had the opportunity to mention some days ago but also from something that is essential in the soul of the Filipinos.

During your brief stay amongst us, it is impossible for Your Excellency, who is justly praised for his keen analytical mind, not to have gotten a glimpse into the very soul of our people, and not to have realized that devotion and loyalty are two of their innate qualities.

You may be sure, Mister President, that when the Filipino places his trust and offers his friendship he does so without reservations, and he pledges his honor and his life in the defense of that trust and that friendship. Flaming is our tropical sun, but not more flaming than our loyalty to friends. Limpid are the waters of our rivers and seas but not more limpid than the sincerity and frankness with which we deal with our brothers. Our treaties and agreements are devoid of such reservations and ambiguities as those which commonly tend to obscure the real meaning of international commitments. The Filipino soul was aptly described by the prince of Filipino poets, the great Guerrero, when he sang of

“ nuestras musas de negrisimo cabello
y alma ingenua como el alma de los niños.”

Allow me then to tell Your Excellency that the friendship offered by the Philippines to Mexico is loyal and sincere, and is entirely free from any selfish motive. That friendship carries with it the pledge of our national honor.

Let me finish, Mister President, by reiterating that my country considers a high honor this state visit of the Chief Executive of Mexico, and that it wishes with all its heart the complete success of the mission which has taken you so far from your native land where the lofty Orizaba, a brother to our Mayon, symbolizes the warmth of the affection of the countless millions of Mexican citizens who have placed upon Your Excellency their fondest hopes for the future.

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**Address of President Macapagal on United Nations' Day Address
of
His Excellency Diosdado Macapagal
President of the Philippines
On United Nations' Day**

[Delivered on October 24, 1962]

THE LESSON OF CUBA

IT HAS BEEN a firm bipartisan policy of the Philippine Republic since our independence in 1946 to support the United Nations and fulfill our obligations under the Charter. The Philippines has been actively associated with the growth of the world organization from its birth.

The Philippines was a charter member of the United Nations. A Filipino, Gen. Carlos P. Romulo, became president of its General Assembly in 1949. The Philippines sent troops in support of the United Nations' unprecedented police action in Korea in 1950. The Philippines was co-sponsor of the historic Uniting for Peace Resolution of 1950. The Philippines has bought United Nations bonds to keep the organization going. Next year, a Filipino will sit as chairman of the Security Council. So strong is our support for the United Nations, that despite our national security policy of keeping communist away from our country, we have made an exception of communists who come with United Nations credentials.

It is, therefore, fitting that the Rotary Club of Manila should focus the nation's attention to the United Nations by staging a replica of its proceedings. On behalf of our people, I am glad to be here to symbolize our Nation's faith in the United Nations. It is a personal pleasure on my part, as well, because I have been personally associated with the United Nations. I have been three times a delegate to the General Assembly, the third time as Chairman of the 6th Assembly in Paris in 1951–1952. I was the author and sponsor of the congressional resolution authorizing the sending of Filipino troops to Korea. Now as President of our country, I am taking this occasion to pledge anew that the Philippines will continue to support fully the United Nations and to fulfill its commitments to the limit of our national capacity to maintain peace in honor and freedom.

The United Nations has had its setbacks but it has had also its accomplishments for peace. To undertake a task as gigantic and complex as maintaining the peace of the world and the security of all nations, the United Nations cannot be expected to be exempt from failure. The important thing is that it has been at times useful in preserving peace and in promoting justice among nations and that it keeps on endeavoring to do so. It has been the forum for the expression of the grievances and aspiration of nations.

Nations are like human beings. If human beings cannot express their grievances, they are likely to resort to violence to express the wrongs, real or fancied, that have aroused them. As long as an organization exists where the nations can air their grievances and aspirations out of their systems for the satisfaction of their peoples, the war of words will remain a substitute for a war of bombs and missiles and the world, because of the United Nations, will stay in peace.

At this moment of grave menace to the peace of the world, our thoughts turn inevitably to the United Nations. We could say truly that if the United Nations did not exist, it would be necessary to invent it.

The world's need for the United Nations appears all the more urgent as we measure the disparity between its present weakness and the strength required to maintain international peace and security.

Seventeen years ago, in San Francisco, the United Nations was founded in the aftermath of a great struggle which had ranged the free countries and the communist countries together against the fascist states. It was established on the principle of the continued cooperation among the victorious powers. The assumption was that the Soviet Union and the Western powers, including the United States, would bear the primary responsibility for the maintenance of

international peace and security, and that they would carry out this primary responsibility in close cooperation with each other. Together they would have such overwhelming political influence and military strength that no power or powers, singly or in combination among themselves, would have the means to challenge the preponderant strength of the Big Five. For this reason, the United States, the Soviet Union, the United Kingdom, France, and China were given permanent seats in the Security Council plus the right to veto any proposal involving substantive matters in the domain of international peace and security.

Unfortunately, the assumed unity of purpose and policy upon which the peace-keeping responsibility of the United Nations is based did not long endure. Even before the signature of Soviet Foreign Minister Molotov on the Charter of the United Nations had become dry, the Soviet Union embarked upon a deliberate and systematic policy aimed at the territorial expansion of the Soviet Empire and the communist domination of the world. The Baltic States were rapidly swallowed up, and the Central European States fell into the communist orbit. In successive acts of naked imperialism, the Soviet Union attempted to undermine the political and territorial integrity of Iran, Greece, Turkey, West Germany, Korea, Vietnam, and Laos. By a combination of the techniques of ideological propaganda, political subversion, clandestine infiltration, and outright military aggression, the Soviet Union succeeded in expanding the frontiers of the communist empire. It was able to do this without the sacrifice of a single Soviet soldier in battle. By massive use of the weapons of subversive propaganda, by the methods of political infiltration and sabotage, it has been able, through trickery and deception, fraud and intimidation, to advance closer to its ultimate goal of world domination.

The democracies were not immediately prepared to meet this systematic communist program of subversion and conquest. Whether out of sincere good faith or sheer simple-mindedness, the democracies allowed themselves to be fooled, deceived, and finally threatened and blackmailed. In the fervid rejoicing that came with the triumph of allied arms at the end of World War II, the democratic states had taken the peaceful protestations of Soviet Russia at their face value. Tired of war and anxious to free themselves from the burden of armaments, they had disbanded their military forces with such rapidity that the Red Army could have walked across Europe and the other continents as well had it not been for the monopoly of atomic weapons which enabled the United States at that time to neutralize the massive military power of the Soviet Union. It was not until the communists decided to test the resolution of the free world by invading Korea that the true extent of the deterioration of the military power of the free world came to be known. The Korean War thus became the testing-ground not only of the courage and determination of the free world but also of the strength and efficacy of the United Nations itself.

But if the Korean War demonstrated to what point the communists are prepared to go in pursuing their political and military objectives, it also showed that the United Nations has sufficient flexibility and hidden reserves of strength to enable it to meet and overcome a major political crisis. It also proved that the peoples of the free world have the courage, resourcefulness, and dedication to combine their efforts in an emergency in order to meet and overcome a common threat.

Out of the Korean experience which had sorely tested the United Nations and brought the whole world to the very edge of catastrophe, came the frank recognition that there was need to devise new and more effective procedures to enable the United Nations to act in an emergency. It was in response to this need that by the terms of the now historic "Uniting for Peace" resolution, the General Assembly became the second line of defense against threats to the peace and acts of aggression. This resolution provides that whenever the Security Council is rendered helpless to cope with a threat to the peace or an act of aggression by the veto of any of the permanent members, the General Assembly of the United Nations, which is composed of representatives of all the member States, would be empowered to discuss any such urgent question and to take a decision by a two-third majority vote.

In this way, without amending the Charter, the United Nations has been able to acquire sufficient flexibility and to adopt an alternative procedure for dealing with threats to the peace of the world.

However, despite this significant improvement in the structure and procedure of the United Nations, its fundamental weakness remains. This weakness resides in its inability to prevent a war involving the great powers themselves. This inadequacy, of course, becomes magnified in a case where a war is likely to involve two powers possessing thermo-nuclear weapons. It thus becomes apparent that the United Nations, despite the earnest hope and vision of

peace that had gone into the creation of the organization, remains severely limited in its efficacy by the realities of political and military power in the world today.

The disparity between the actual weakness of the United Nations and the overwhelming potency of thermo-nuclear weapons is reflective of the disparity which exists between the progress that man has achieved in the field of moral science and in the field of physical science. By the ingenuity of his mind, man has split the atom and discovered therein enough power to destroy himself and blow up the very earth he inhabits. At the same time he has not made any comparable advance in the science of living with his fellows in peace, with freedom and justice, under the rule of law.

If mankind finds itself in this desperate situation, it is because of the lopsided and unequal development in the two sides of his nature. He has had knowledge enough to split the atom but not wit enough to fuse humanity together.

This is the situation, full of menace, which confronts mankind in these critical moments.

Today, perhaps more than in the past, the United Nations faces a grave test on the Cuban crisis. The United States has made the charge that Soviet Russia has been converting Cuba into an offensive base for missiles. Therefore, peace now depends on the Soviet Union and the United Nations, the former if it is ready to go to war to make good its word to Fidel Castro, and the latter, if it can find means to insure the security of the American continents from the threat of Cuban missile bases with reasonable honor to both camps. It is a hazardous predicament for the United States, the Soviet Union, and the United Nations on which may depend continued peace or the destruction of mankind in our time.

The Cuban people, who a few years back had embarked on a just revolution for the purpose of achieving true sovereignty over their country and its natural resources, have become prisoners of a communist regime that is as ruthless and as unprincipled as any that exists in the world today. A revolution that had started on the glorious promise of achieving true human dignity and a better life for the Cuban people has been betrayed. One more popular struggle has been debauched by its leaders who have delivered the people into the hands of the communist enemy. By this act of betrayal, a whole nation has become the tool for the advancement of communism in a part of the world where it is feared, hated, and abjured.

This is a tragedy which countries like the Philippines would do well to consider thoughtfully and carefully. The fate of Cuba affords a perfect illustration of the brutal and anti-human methods which the communist will adopt without compunction in order to destroy the freedom of man and advance their insane dream of world conquest and domination. It shows how a mass movement, which was originally harnessed to the hope of human betterment, can be betrayed by the ruthless few in order to satisfy the infinite hatred in their hearts and their insatiable lust for power.

To the extent that the Cuban people were fighting for their dignity as a nation, for sovereignty over their land, and for control over the destiny of their country, they were entitled to receive, as indeed they received, the sympathy of the whole world. The Filipino people were among those who wished the Cuban people success in their struggle. We cannot believe that it was necessary for them to cater to the friendship, assistance, and support of the communist powers in order to achieve their goals. We do not believe that their particular situation was so desperate that they had no choice but to exchange their democratic freedom for communist slavery. It is obvious that nothing in the end can possibly be gained by a people who exchange the chains of economic poverty and insecurity for the chains of totalitarian tyranny.

We in the Philippine are profoundly convinced that there is room in to the free world for a free nation to improve its life and broaden its liberties without entering into an unholy compact with communism. We believe that countries like the Philippines and Cuba, which bear a common hope of increased prosperity and happiness for their people, can depend on the assistance of other free peoples and the cooperation of the United Nations to achieve in freedom the goals of human dignity, economic abundance, and political stability.

It is in this conviction that, on this occasion, we Filipinos should consecrate ourselves anew to the purposes and principles of the United Nations. As we draw the necessary lessons from the tragic events in Cuba, let us renew our pledge to reaffirm faith in fundamental human rights and in the dignity and worth of the human person. Let us pledge ourselves once again to help promote social progress and better standards of life in larger freedom, to develop friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples. Let us dedicate ourselves anew to the noble objective which is enshrined in ringing words, in the first paragraph of the preamble of the United Nations Charter:

“to save succeeding generations from the scourge of war which twice in our life-time has brought untold sorrow to mankind.”

But in renewing this pledge, let us resolve earnestly to remain steadfast in our love of liberty.

In this hour of danger, and fully conscious of my responsibility, I have without hesitation spoken for our people to affirm that we shall keep our place on the side of the free world. We are a people with a varied heritage from both the East, of which we are part, and the West with which we came in intimate contact for four hundred years. The best and noblest element of our heritage is our love of freedom. Freedom is to us an inalienable way of life. We have freedom in our political institutions; we seek the progress of our economy also in freedom.

We are one of the freest peoples in Asia, perchance, in the world. To us, freedom is not only a present way of life; it is the source of our most cherished hopes for a better future. The passion for freedom is rooted so deep in our national soul that we cannot conceive of life without freedom; for indeed, freedom is life itself. It is for this reason that Lapu-Lapu resisted and killed Magellan in Mactan; that Rizal left the comforts of the opulent parental household in Calamba to undergo privations in Europe in quest of reforms for his oppressed people; that Bonifacio, with only a bolo in hand, defied the most powerful European empire of the time; that Aguinaldo dared to fight the American arms that had triumphed over the Spanish forces; that Quezon continued the fight for independence on the battlefield of peace; and that Jose Abad Santos deliberately chose death to tolerance of Japanese tyranny.

This heritage of freedom is the reason why the Philippines has fully supported the United Nations and allied itself with the United States and the free world. In these alliances, there is hope of peace in security and freedom. This heritage provides the reason why, in the Korean crisis or in any similar crisis where a choice is to be made between peace in tyranny and war for freedom, the Philippines has stood and will stand unfalteringly to keep its place as a loyal member of the United Nations and as a faithful ally of the free world, ready to labor in peace or to fight in war, if necessary, to die for freedom rather than live in slavery.

In this critical hour for mankind, we your elders appear before you, youth of the land, thankful over this opportunity to impart to you the truth that the spirit of freedom which was the sublime joy of our forebears continues to thrill our spirits and to warm our hearts. In a choice between death or liberty, our forefathers, without hesitation in their preference, chose the latter. We who have come after them confirm with pride the nobility and wisdom of their choice and stand ready to act as our sires did before us. While yet there is time, we enjoin you that, should the frightful dilemma challenge you to make a choice in your own time, you shall not fail your fathers as we surely will not fail ours. And may God bless you and vouchsafe to you the grace to live in a world at peace and in liberty with honor.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Speech of President Macapagal at the induction ceremonies of the Philippine Chamber of Industries

Speech of His Excellency Diosdado Macapagal President of the Philippines At the induction ceremonies of the Philippine Chamber of Industries

[Delivered at the Manila Hotel Fiesta Pavilion, November 16, 1962]

NEW DIRECTIONS FOR PHILIPPINE INDUSTRY

I CONGRATULATE the new officers of the Philippine Chamber of Industries whom I have the honor to induct into office this evening. I consider it a privilege to have participated in the installation of these distinguished leaders of industry and in this connection I recall that when I was making a bid for this great responsibility of discharging the task of seeking the solutions of the problems of our country and I felt it was essential to predicate our national effort upon a definite economic program, I engaged myself in assiduous economic studies and made it a habit to read the articles of many of you here. I read practically all the leading articles on economic studies and I recall distinctly that among the articles that I read there stood out as exemplary in their sense, in their learning, and in their intelligence the articles of one who is truly one of the authorities in economics in our country, your president, Hilarion Henares, Jr.

I would not be candid if I did not say that I had been very impressed by the elegance, the efficiency and the excellence of this affair conducted by the Philippine Chamber of Industries. I subscribe, President Henares, to your concept of industrialization and in undertaking this task of industrialization with government support and that should industrialists undertake the task with the same efficiency and same excellence that you have demonstrated in this affair, I am sure you and they will succeed for the social and economic progress of our country.

President Henares said that when the economy is sick you need a doctor of economics. I have tried to make studies in economics. I don't know whether I am really a doctor but I received the degree of Doctor of Philosophy in Economics and so in that line I shall do my best although I believe that among doctors now, doctors of medicine are more impressive than doctors of economics as shown by the fact that Mrs. Macapagal, a Doctor of Medicine, received more applause than I. You said that if the government is a doctor, you are the patient. Well, I say in turn that no matter how good the doctor is, unless he gets the cooperation of the patient, the chances of recovery are not high.

So I am glad that you have put behind our socio-economic program the support of the Philippine Chamber of Industries. Tonight I have listened with keen interest to the problems mentioned by President Henares, Jr. I shall give them the most serious attention and consideration that they deserve. But in order to insure that the ideas, the interest and the aspirations of the Philippine Chamber of Industries will be given the proper attention in our efforts in our country today, from hereon I shall make President Henares as one of my active advisers in representation of the Philippine Chamber of Industries.

I express my very deep appreciation of the honor you bestowed on me when you invited me to induct into office the new officers of your organization. It is a privilege to stand before you who are gathered with a noble purpose and with faith in your country and in your capacity to solve the problems of the present and to move forward to a brighter future. I hope that your faith will bring forth the light of progress for our people and dispel the shadows of yesterday's moral decadence and economic stagnation.

I shall express ideas tonight on the "New Directions for Philippine Industries" under the present administration. The increasing vigor of your Chamber and its growing prominence in our business scene are indications that the mounting energies of our society are being directed towards the expansion and the creation of productive industries for our country. These energies, along with the talents and the vision of our industrial leaders and the skill and patience of our country's workers, are among the most important assets we shall have in the years ahead, when our

country—rejuvenated from the removal of controls—embarks on the new directions now emerging for our industrial development.

It is understandable that our businesses have paused momentarily for the past months in their normal functions of investing in the expansion of existing facilities or in the creation of new productive assets. This pause is an expected aftermath of decontrol. Following the adjustment of the exchange rates necessitated by the free market, long-term investors normally freeze their plans while waiting for the rates to stabilize and for stirred conditions to settle and adjust to the new patterns.

Now the pause has run its normal course; the new directions of profitability have emerged; the climate of a free market has set in to replace the old and unhealthy atmosphere of controls. The time has come to restore the rate of investments in industries to previous pace and to increase it in accordance with the step-up in the rate of capital accumulation in the private sector.

The machinery for the implementation of this program has been firmed up and has been picking up speed. It is now time therefore to define succinctly the stand of this Administration with regard to the industrial development of the country in the years ahead.

Let there be no doubt that the government, under its present leadership, places a high stake in the promotion of private investments, especially in industries that would process and diversify the primary products of our agricultural and mining sectors, and in industries that would increase not only our available supply of consumers' goods but also the domestically-produced capital and intermediate products that are used by the makers of final goods. We seek to fill a vast and undeveloped gap in the structure of our economy: the gap between the production of primary products on the one hand, and the processing and packaging of imported goods on the other which we have witnessed in recent times. We seek, in the long run, to induce private investors into plowing their capital into industries that would supply the links in the projected national network of productive enterprises, industries which would diminish our dependence on imported finished goods and would increase our own supply and our exports of Philippine-manufactured products.

Consequently, the government's policies will be oriented towards encouraging the private sector to achieve those aims as embodied in our Five-Year Program. Our preoccupations in the field of economic policy will be to induce, through various policy instruments, the establishment and growth of productive capacity in such basic areas as steel productions, through the projected Iligan and other projects which the government has agreed to support and assist, the fabrication of metal products, including the domestic making of machinery and equipment, both electrical and non-electrical; the establishment of basic chemical and related industries to reduce the importation of compounds, to increase the domestic value-added industries, like the manufacture of pharmaceuticals, and to establish an efficient fertilizer industry; the expansion of domestic capacity for cement and glass production; the increase in the capacity of our plywood and veneer manufacture, for which a profitable export market as you know exists; the increase in pulp-making facilities to serve the paper-making enterprises; the provision of necessary assistance to the textile industries; the promotion of the processing of food products; and the encouragement of related essential and basic industries.

These are among the high-priority ventures which the government will help launch by means of various policies in relation to our Five-Year Program. The enhancement of these industries through the measures which I shall enumerate shortly is founded on the following principles and postulates: first, that the government will exercise an imaginative but responsible use of monetary and fiscal policies; second, that the government will pursue an agricultural program to help insure a sufficiency of raw materials for the industries now existing and to be established in the future; third, that the government will coordinate the lending policies of its own financial institutions and follow a project-financing program consistent with its overall industrial policies; fourth, that the government will pursue a rational and integrated public works program to provide the private sector's needs for roads and other transport facilities, power, irrigation and water control; and fifth, that the government will do its share of providing the necessary social services in the way of health facilities, education, extension, research, and related services to insure for ourselves a healthy and educated people, without whom no economic program can succeed.

There is a pressing need for increasing the rate of investments. Decontrol has removed the windfall advantage of merely processing and packaging, and has opened the way for investments in basic and intermediate industries. But the vigorous requirements induced by decontrol will call for new vision, imagination, and resourcefulness on the part of our entrepreneurs. This is the reason for the firm commitment on the part of the government which I hereby make to a definite, consistent and stable set of policies that would rid private capital of its timidity and positively encourage it to venture into industries of high priority. And I say that in the face of the exacting tests imposed by our newly-freed foreign exchange market, the incentives to be provided by public policy cannot afford to be hazy, hesitant, half-hearted, or haphazard; they must be, as they will be under this administration, substantial, clear, long-term, and most important of all, faithfully implemented.

In this spirit, I will not outline the policy measures of the government and mention some of the things that have been done to carry them out. Where necessary, these are to be embodied in amendments to existing laws or in new legislation. Where sufficient, they will be enforced through a revision of the administrative procedures of the executive branch of the government.

In these policies, this government respects the fact that private business is motivated by the prospective rates of return on its investments as matched against prospective risks and inconveniences. To be realistic—indeed, to be effective at all—the government's incentive policies must operate on these critical variables either by improving the profit prospects, or by diminishing risks and inconveniences, or both. This is the philosophy behind the following measures.

First, partial or complete tax exemptions will be granted to new industries of high priority. The exemption will normally be temporary, but will be substantial in magnitude and long-term in duration to allow these firms a generous period of freedom from tax shares in their gross profits and in the value of their assets. This will also involve a desirable revision of the Basic Industries Act to exempt from tariffs and special import taxes the capital and raw material imports of only a number of basic and strategic industries rather than the all-encompassing and dispersed range of fields now mentioned in the Act.

Second, together with the exemption from customs charges of capital goods imports for high priority industries, tariff protection shall be given to the products of industries that need to be sheltered from foreign competition while in the process of attaining their most economical scale of operations. Thus, tariff protection will not be used as a crutch or prop for inefficient producers, but as a help for domestic firms to attain the size and the experience necessary to make them reasonably competitive with foreign producers.

As a general rule, tariffs as a policy instrument will be used with utmost flexibility. They will be selectively increased to protect local industries from undue competition of foreign products, and selectively decreased to facilitate the importation of intermediate products needed by local enterprises, and of essential final goods in short supply. The rates of different categories of tariffs will be determined on an industry-to-industry basis, and will be adjusted in accordance with individual needs for protection or import facilitation, as the case may be. In this connection, tariffs have been used to counteract the dumping of cheap foreign commodities into the local market. If a choice exists, this government will prefer to encourage those industries that need no protection.

Third, provisions will be made for the partial or full exemptions from taxes of profits that are reinvested by firms either in expansion or in new capital goods. Provisions will also be made for the carry-over of past losses into current profits for tax reduction purposes.

Fourth, although subsidies should not be a normal policy instrument, they will be given in exceptional cases where they will be deemed necessary.

And fifth, the government's administrative machinery will be reoriented to assist rather than to impair the function of business. This refers, among others, to the improvement of machinery, parts, and materials used by our industries. This also refers to the processing of loan and license applications pending in the government offices.

In general then, the government seeks to increase the profit prospects and to reduce the risks and inconveniences involved in expanding our country's productive capacity. Its search for legitimate revenues through taxes will not be conducted at the expense of the returns to the investments of high priority industries during their first few years of growth and operations. Even the government's own revenue prospects can improve in the long run if its tax exemptions and related policies succeed in expanding the country's industrial operations, which will provide a wider tax base in the future. In the meantime, its present revenue-collection should not jeopardize new investments or profit-plowback but should come from increased rates and more efficient collections from sources that can afford to absorb taxes.

Within the past few months, several concrete measures have been taken to afford reasonable protection to local industries from under competition from abroad. It may be relevant to mention the following in this connection.

Tariff schedules have been revised to shield our textile industries from the crippling rivalry of imported textiles. This protection, it is hoped, will give the industry sufficient leeway and elbow room to improve its own structural organization and render the quality and price of its product at reasonable par with foreign textiles.

Tariffs will be used ultimately as an instrument for improving the competitive position of domestic enterprises.

The government has also taken serious cognizance of the adverse effects on existing industries of certain subsidized importing policies of the NAMARCO. For this reason, this institution has recently frozen a plan to order a large shipment of certain products whose importation has severely impaired and reduced the output of local establishments producing the same goods. We have also acted firmly to curtail the dumping into our market of commodities sold to the Philippines at a price even lower than that prevailing in its own market.

These are some of the incentives we will provide to promote investments in new industries and the expansion or rationalization of existing ones. For the coordinated exercise of these policy instruments, we propose to utilize the Department of Commerce and Industry to serve, among other things, as a Board of Trade. As such, the department will make use of a wide variety of protective and inducement policies under its disposal and will exercise them in coordinated and consistent fashion.

In the meantime, the Department of Commerce and Industry is exercising all-out efforts to unite the various sectors of Philippine industry to find out their respective problems, and to help them solve such problems through the adoption of long-range perspectives designed to meet the challenges of the domestic market and the strategic overseas outlets.

Points of references in this connection which are being pursued with relentless vigor are the following:

First, positive inducements to industrial entrepreneurs;

Second, foreign market surveys and trade promotion activities in principal world markets and judicious trade arrangement with our major co-trading countries;

Third, a reorientation program for commercial attaches and consular officials;

Fourth, the encouragement of greater Filipino participation in our domestic trade, more liberalized credit facilities and more extensive support and patronage by government agencies.

I am sure that many of you are aware of the intensive activities being undertaken by the Department of Commerce and Industry, as adverted by President Henares, Jr., under the leadership of that official whom *Philippines Free Press* called "Macapagal's Wonder Boy," Secretary Rufino Hechanova. With continued support from your sector, I am confident that the Department of Commerce and Industry will contribute greatly to the success of the Socio-Economic Program.

As our industrial structure moves back from the finishing end and moves forward from the primary producing end to fill the gap in-between, the need for long-term equity and long-financing increases. So does the need for external sources of finance to supply the foreign exchange requirements of the new investments. This two-fold need will be met, to a considerable extent, by the establishment of the Private Development Corporation of the Philippines.

It must be recognized that a financial institution of this nature has long been advocated by the Philippine Chamber of Industries. I am happy to say that the work towards its early establishment has been proceeding with satisfactory results. The Corporation will meet the future needs of new industries by providing medium and long-term loans and equity and financing to such enterprises. And so may I say this, that it will assist in the expansion of the local capital market, especially for corporate securities, and promote a wide public participation in the ownership of corporate industries.

By providing such long-term capital as well as necessary managerial and technical services, this Private Development Corporation of the Philippines will be a vital force in the initiation, expansion and modernization of Philippine industrial ventures. Happily the Steering Committee of this Corporation has successfully negotiated for financial support from the International Bank for Reconstruction and Development and from the Agency for International Development. And so may I say that the members of the Chamber of Industries can justly take pride in witnessing the fruition of an idea that has been advocated and supported by the Philippine Chamber of Industries in this new project.

Given these incentives and provisions for long-term financing, we can count on the release of considerable energies from the private sector in the direction of new investments. But the government's efforts do not end here. Many opportunities are bound to be overlooked by the private sector and investors may be unwilling or unable to finance the feasibility studies leading towards profitable projects. This is an important area in which the government can be an imaginative catalyst. Its role in project promotion is, basically, to identify opportunities, to prepare feasibility studies for each of the most promising ones, to look for means of financing the study on the survey as well as on the pilot stage, and to "sell" these projects to investors and financial institutions.

Much of the initial work in project promotion is being done at the present by a team of World Bank experts who are now in the Philippines in relation to specific projects to be undertaken by public and private sectors working very closely with the vital agency of this administration, the Program Implementation Agency, which is headed as you now know, by one who is now being regarded as "Malacañang's braintruster" Secretary Sixto Roxas Jr. A parallel effort is also being made to establish a body for advertising abroad the diverse investment opportunities existing in the Philippines for both domestic and foreign capital. I have also directed the preparation of legislative proposals to make the incentive policies I have outlined part of the firm statutes of this land.

In brief, we are now deep in our effort to promote our country's productivity through an acceleration of the rate of industrial growth. Our efforts in the field of policies, of financing, of public and private project promotion, are all imbued with the philosophy that the government cannot hope to succeed by a series of disconnected, incoherent, piece-meal pretenses of trying to encourage industrial enterprises; it can be effective under present circumstances, only if it does a host of things at once. The incentives it offers, through tax privileges and protection, must be impressively great to be attractive; the financing facilities it helps to obtain must be substantial; and its project promotion work must be vigorous and persistent. Only in this fashion can it generate a truly favorable climate for the robust flourishing of free enterprise system.

I say this because in conclusion I would like to say that free enterprise, after all, does not mean that the government should stay out of the way. Free enterprise means that the government should literally pave the way for the progress of private industry. It means a fruitful joint effort between the government and the country's industrialists and businessmen; the businessmen as the doer and the government as the helper, in the task of developing the nation's resources, providing jobs to our workers and increasing the flow of goods and services needed by our people.

As the leader of our country's industries, the officers and members of the Philippine Chamber of Industries are builders of our economic progress, and it is therefore to you that I pledge the entire resources of my administration

in the common task of building a great nation where our people can truly enjoy the blessings of democracy and open the gates of a better life to all our countrymen.

Thank you and God bless you.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**Speech of President Macapagal at the Inauguration of the University of Mindanao Speech
of**

**His Excellency Diosdado Macapagal
President of the Philippines
At the Inauguration of the University of Mindanao**

[Held at Marawi City, November 18, 1962]

THE UNIVERSITY OF MINDANAO

I AM HAPPY to be with you today at the inauguration of the University of Mindanao and the installation of Dr. Antonio Isidro as the first president of this only state university in the south. My visit to the University of Mindanao in this new frontier of opportunities is a concrete reaffirmation of my faith in the bright future of this island and in the significant role that this University will play in the task of nation-building.

In the midst of untapped natural wealth and opportunity, the entire country is faced with one grave problem—to insure for every citizen a decent livelihood and a fair standard of living so that he can enjoy the blessings of democracy. And so we witness the paradox of misery in the midst of plenty. A widening gap between the rich and the poor exists as few live in abundance while the vast majority of our people wallow in poverty, disease and ignorance. This situation, I will not permit to continue under my administration. Every Filipino is entitled to have a little more roof to shelter him from the rigors of the elements; a little more shirt to cover his back; a little more food every day to keep him alive and working; a little more money for his children to get the education that will make them better citizens and leaders of the country tomorrow.

We owe it to the common man to give him his due. Under the New Era no man or child will be allowed to die of starvation in a land of plenty; no citizen shall be beholden to any man in the pursuit of his happiness and prosperity.

Today, I pledge to the common man the fulfillment of his hopes and dreams in a New Era of economic prosperity, and epoch where he will find his chosen place in decent society, participating in the national effort and enjoying the economic bounty due him within the framework of democracy. Only when the common man is given his share in the economic bounties of this nation, only when he is provided with the opportunities for growth and the means that would enable him to combat the evils of poverty, ignorance and disease and wipe out these breeding places of communism, only then can we hope to strengthen our democratic way of life and insure the stability of our nation.

Motivated by deep interest in the welfare of the common man, I have adopted as the cornerstone of my administration the *Five-Year Integrated Socio-Economic Program* which I submitted in my first address on the State of the Nation to the First Session of the Fifth Congress early in January 1962. The ultimate goal of this program is “to insure that domestic production, augmented by imports, shall be adequate to provide for the needs of our growing population.” It aims to provide an adequate means of livelihood for the Filipino nation.

As an educational institution supported and controlled by the government, the University of Mindanao shall open its gates to the youths from all walks of life, rich and poor alike. It shall be non-sectarian, open to children of all creeds and persuasions. The University of Mindanao is a school that is common to all, because it must be part of the birthright of every Filipino child.

In more ways than one, the Mindanao University is an answer to a need—a compelling need to provide the Filipino youths with equal opportunities for learning. For while it is true that the government has established, and continues to establish, schools as part of the national educational program, most of these centers of learning are concentrated in Manila and other cities. Consequently, thousands, of our young men and women who live in remote areas such as Mindanao, find the cost of higher education, even of vocational education, far beyond their reach. Thus, they are denied the opportunities for advancement, for developing their God-given talents and capacities.

But the efforts of the government, no matter how determined and intensive, cannot bring about full economic and social development of the country. The government, with its limited resources, can only do so much. Our people, who constitute the nation's greatest potentials, must respond to the challenge of our common responsibility, and they can be expected to perform their share of the gigantic task if they are equipped with the professional and scientific training and the cultural knowledge that true and responsible education can offer.

Before I close, I will avail of this opportunity which is as propitious as any to acquaint you with the Administration's project to establish a Labor University, which is now being implemented by Secretary of Education Alejandro R. Roces. This proposed university not only demonstrates the Administration's desire to gear education to the development of our nation but to provide equal educational opportunities to the children of our less well-situated countrymen, the legion of our humble wage-earners.

I need not express to you why I have a deep and abiding concern for the children of our less fortunate countrymen. Suffice it to say that I was born poor, myself. In my childhood and early youth I suffered the agony of want, and had it not been for the God-sent benevolence of a philanthropist, I would not have enjoyed the privilege of finishing college education and accepted, eventually, the challenge of serving my countrymen.

With the cooperation of the people and support of the government this institution will transform this region from a land of promise to a land of fulfillment and self-realization. It is my fervent hope that with the University of Mindanao, our program for increasing prosperity will succeed where others have failed. To bring about this New Era, I pledge anew my support for the accelerated growth of this region and for the progress and development of the University of Mindanao.

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Address of President Macapagal before the Inter-Island Deep-sea Fishing Association

**Address
of
His Excellency Diosdado Macapagal
President of the Philippines
Before the Inter-island Deep-sea Fishing Association**

[Released on November 24, 1962]

OUR FISHING PROBLEM

IT IS a real pleasure to be with you today. One of the jobs of a President is to meet scheduled appointments. A difficult part of this job is to attend an appointment at a time when you feel that you are just about to surrender to the weight and burden of everyday problems that demand a daily exertion of physical and mental energy. On this occasion, however, I find extreme pleasure in meeting with you, fully cognizant of the role you play in the country's socio-economic program, that of bringing about self-sufficiency in fish.

This is a vital role because our first duty is to provide adequate food for our people. Rice is the staple food of our people. Rice invariably goes along with fish and vice versa. Ours is basically a rice-and-fish economy. It is the intent of my Administration to bring about a climate that will give hope and form, opportunity and realization, to these two vital items so directly related and indispensable to the health and nutritional requirements of our people—a sufficient and abundant supply of rice and fish to insure the health and happiness of our people.

Rice is not a serious problem any more. But fish still is. It is your task and mine to solve this problem. We can, we must, we will solve this problem.

My Administration is not unaware of the fact that the Philippines imports no less than 44 million pesos worth of canned fish a year; that our territorial waters are seven times larger than our land area; that our fishery resources are considered by experts to be one of the richest in the world; that our waters abound in fish of all kinds and description; that our coastlines are blessed with bottoms, shoals, and waters that are rich in aquatic products beyond the imagination to calculate; that our fishing industry, compared to those of other nations, has a time lag of no less than 50 years; and that you, entrepreneurs of this neglected industry, have been left mostly to yourselves.—to solve the multifarious problems of financing your projects, of operating profitably, devoid of assistance, or incentive, or protection.

Under my Administration, this neglected condition of the vital fishing industry shall not persist. Definite, positive steps have been taken by this Administration to develop a vigorous fishing industry, designed not only to attain self-sufficiency in fish, but also to enable us to export our surplus fishery products.

There was a time when the government spent millions for other industries and little for the fishing industry. There was a time when the agricultural segments of our economy, with the exception of the fishing industry, received continuous aid from the government in the form of incentives and cash. Now, the time has come to attend to the fishing industry in the manner appropriate for its development. Your industry which, heretofore, has been neglected, unaided, and to a certain extent discriminated against, will now be elevated to its rightful position of importance,—a key position that it deserves in the economic structure of our country.

This is the reason why, upon my assumption to the Office of the President of the Philippines, I immediately certified, without hesitation, the bill converting the Bureau of Fisheries into a Fisheries Commission. This was a necessary step in the development of the fishing industry of this country. The Commission, in clear, unmistakable language, seeks to remedy the shortcomings of the Bureau of Fisheries, to centralize all governmental functions in connection with the fishing industry, and to enable the government to lend and extend the kind of helping hand necessary, vital, and indispensable to fishery development. Unfortunately, the bill, as approved by the Conference Committee, failed to receive approval by the Senate. I am more than hopeful, however, that come January next year,

this bill will meet with approval and thus become a milestone in the fishing industry. Because I am aware of your problems, aware of the need of a more powerful, authoritative, and expanded office, you can rest assured that I will take positive and decisive steps to improve the fishing industry.

The projected Fisheries Commission can only form the foundation of the fisheries phase of the socio-economic program of this Administration. It can only provide the vital link between this Administration and you, who are engaged in the business of fish and fishing. It can only set the basis for positive action.

Constructive steps and measures are on the way. A dredging program is now going on to restore the rivers of Central Luzon to their original state of being a fruitful source of livelihood for the thousands of fishermen along their banks. Measures are being undertaken to combat pollution of our rivers. I am satisfied to note the solicitous, able, and willing interest and help of the officials of the Department of Agriculture and Natural Resources and the Bureau of Fisheries who are performing their jobs remarkably well.

Indeed, our fishing industry is very much behind the times. Our trawls and *basnigs* seem to get along well enough. But unless we adopt the use of modern gears and equipment, we cannot fully and advantageously exploit our fishery resources.

There is a long way to go. The important thing is that we know where we are and we know where we should go. This knowledge has led us to accelerate the acquisition of modern techniques in fishing, to the filing of a request for a UN Special Assistance Fund of 2 million dollars, for the purpose of undertaking a 5-year exploratory and training program for purse seining, trawling, tuna seining, and long-lining, marketing, processing, and electronics. The impact of this program will redound directly to your benefit, and concomitantly to that of the entire country. Modern fishing gears and equipment and the technical know-how in their operations can solve our annual fish shortage of about 250 million kilos. You have among you an example of what a modernized fishing gear can do. I refer to the Martinez brothers, who, out of their own initiative, undertook the study of purse seining in the U.S., came back with purse seine gears, started operating early this year amidst pessimistic comments on the part of even their close friends, and now, are catching as much as 50 tons of fish a night. Even with this performance, they appear to have hardly started. Their experience proves two things; that there is a lot more fish to catch, and that we can do it with modern gears. This confirms the view of experts that we are actually, with the use of *basnig* alone, getting not more than 20 per cent of the sardines, anchovies, and mackerels in our waters. Of the tuna, the percentage of catch is negligible, which is paradoxical, considering that we have tuna in abundance, all year round.

We realize, of course, that fishing, particularly deep-sea fishing, is not simply using the right gears and equipment. It must have its corollary facilities for refrigeration and icing, transportation, berthing, and marketing. Under this Administration, these will be made available to you in due time, sooner perhaps than you expect. I am glad to announce that your boats can now enjoy the safety of a port, exclusively for fishing boats because Pier 14 has been released for the exclusive use of the fishing industry. This should solve the many problems you have in connection with loading and unloading of gears and equipment, as well as ice and fish, or your "parking" problems.

Mention has been made of dynamite fishing. I stand four square against this method. I shall never compromise this stand with any violator. Let it be clear, therefore, to one and all, big or small, that dynamite fishing will be prosecuted to the full extent of the law and that anyone who defies this law will find it highly unprofitable.

It is said that no program of fishing development can very well succeed without direct governmental assistance in the form of cash and other privileges. There is truth in this. The development of the fishing industry is expensive. It is for this reason that more developed countries like Japan, U.S., England, Denmark, Norway, Sweden, Italy, Canada, and others, have set up definite financial assistance schemes designed primarily to aid the fishing business entrepreneur. In Japan, there is the Agriculture, Forestry, and Fisheries Finance Corporation, wholly subscribed by the State, with the power to borrow from foreign banks and institutions, with lending authority of as much as 30 million yen. In Denmark, the Fishery Bank, a corporation established by law exclusively to finance the fishing industry, has been set up, backed up by the state. It gives loans at the rate of 80 per cent of the value of the complete vessel. In Canada, loans and grants are available to all fishermen at the rate of 70 per cent of the actual cost of the complete vessel. In England, direct grants are extended by the government for the acquisition of a new vessel, at a

rate of one quarter of the actual expenditures incurred. In the U.S., the Fisheries and Loan Fund Act authorizes the use of 20 million dollars by the Secretary of the Interior for the purpose of financing and refinancing operators, maintenance, replacement, repair, and equipment of fishing gear vessels and for research into the basic problems of fisheries. Interest rates run from a minimum 3 per cent to 7 1/2 per cent.

The fishing industries of these countries attained maturity and development undoubtedly in large measure because of the assistance directly extended to them in the form of financial assistance schemes and other incentives.

If these financing measures for the fishing industry have been taken in other countries, there is no reason for not doing the same in our country. It must be realized, however, that any such scheme will involve a tremendous amount of money. It must fit into our budget structure. Two important practical difficulties present themselves in the formalization of a financial assistance scheme designed to help the fishing industry.

These are:

1. That of providing flexibility consistent with the fluctuations and hazards of fishing while retaining the two essential elements of selection and security consistent with the use of public funds for this type of assistance; and
2. That of ensuring that the facilities remain in the form in which they are provided, to serve the particular purposes for which they are designed.

These two difficulties, as a matter of fact, have been the problems of these countries with financial assistance schemes. But they are not insurmountable deterrents to the establishment of a financial assistance scheme in this country. The Administration will take steps so that you will have a Deep Sea Fishing Administration or a similar body to handle the development of deep-sea and off-shore fisheries, furnished with sufficient funds to guarantee long term loans.

All that I have said boils down to the fact that it is my purpose to help develop the fishing industry. This Administration is aware of your problems. But the industry itself is a challenge not only to the government but more so to you who are engaged in fishing. In this vital task, you will be called upon to use your better judgment, your initiative, your energy, your sacrifices and even dreams, in order to bring about a development, profitable to you and beneficial to our people as a whole.

The goal is not simple. It is the eradication of the need of importing 44 million pesos worth or 80 million kilos of fish. It is the development of scientific fishing designed to exploit our fishery resources in full and, therefore, fill in the shortage of 250 million kilos of fish for purposes of nutrition. It is the realization of a dream to derive from our aquatic reserve, a rich source of export commodities. It is the achievement of a better business for you and the assurance of food for everyone in our country. It is, in the final analysis, the fulfillment of our inescapable obligation to provide sufficiently the food of our people—their rice and fish.

Source: Presidential Museum and Library

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal at the Manila International Air Show

**Address
of
His Excellency Diosdado Macapagal
President of the Philippines
At the Manila International Air Show**

[Delivered on November 25, 1962]

FOUR-YEAR AVIATION DEVELOPMENT PROGRAM

WE ARE gathered here today to witness the climaxing event in the national observance of the 15th Annual Aviation Week. The Manila International Air Show is now a tradition. This tradition should continue in future years with ever-mounting interest and pleasure on the part of our people.

What have we come to see today? Is it the thrilling stunts by intrepid pilots demonstrating to us the capabilities of modern aircraft? Is it the display of technical products and skill? Or is it because you want to get away from the drab routine of daily life and join in an absorbing aviation festival?

This aviation activity is more than just a show for our entertainment. This occasion is primarily intended to bring to us all an increased awareness of the role of the airplane in promoting a more abundant life for us and our countrymen. The aircraft on display in the Air Show, whether military or civilian, are tools designed to insure the continuance of life and the preservation of those elements that make life worth living. This is the main idea behind these aerial activities today. It is our hope that, with increased awareness of the role of aviation in the quest of mankind for a better life, we can summon the will to utilize it more effectively in extending its blessings to everyone.

[**FIGURE 1** – Flights of saber jets, the country's first time line of defense, roar across Philippine skies.]

In the beginning, the aim of Aviation Week was to arouse as widespread interest in aviation as was possible among our people. We wanted our people to be air-minded, and from the momentum of that particular state of mind, to become air-faring, that is, to travel by air and take advantage of the benefits which aviation offers. This was the first phase of our government's air promotion campaign. Before a decade had passed, since the first Presidential Proclamation of Aviation Week was made fifteen years ago, this first phase was attained. Today air travel is already a common mode of transportation. Today, there are four times more people in our country traveling by air than there were ten years ago; and three times more mail and cargo are being carried by air. This increase in the use of air transport by our people shows that our campaign to make them air-faring has been fruitful. This accomplishment must be sustained. There should be no relaxation in our effort to develop the air potential of our country. There should be no let-up in our effort to bring aviation closer to the masses.

Unlike the winning of a sports game, the attainment of an aviation goal is not characterized by completeness. The attainment of our air transportation goal is a continuing process of exercising unrelenting efforts to secure grounds gained and to improve continuously upon them. These gains must be firmly entrenched in the general program of the country, day by day, week by week, month by month, year by year. Aviation progress is a dynamic process. Inaction or procrastination not only definitely sets it back but adversely affects all segments of the nation's economy, culture, and political stability.

Our archipelago is composed of over seven thousand islands. For the national progress, it is imperative that these islands and their inhabitants be connected by adequate and as fast transportation as possible. Road transportation cannot do this task; and water transportation is slow and inadequate. Meanwhile, world air transportation undergoes a revolutionary growth as men ventures successfully into outer space. In this situation, it is imperative for the Philippines to develop aviation if our country is not to lag far behind in a comparatively primitive state in

transportation facilities. Believing in this, my Administration is ready to the limits of our financial resources to support the growth and modernization of aviation in our country.

It is for this reason that I have taken action toward the implementation of the 4-year program of airports and airways improvement formulated by the Civil Aeronautics Administration. We have included this air development plan, which was drawn up in cooperation with the experts of the Philippine Air Lines, the Philippine Air Force, and the other aviation entities in the country, as part and parcel of the socio-economic development program of my Administration. Under our Administration, aviation will be given a greater share in the annual outlay of the government for the maintenance and improvement of overall transportation facilities.

The topography of the Philippines demands the building of an aerial merchant marine, not only to complement our surface transportation—bus, railroad, and sea services—but also to meet the steadily-expanding requirements of air-borne commerce. Progress in commerce and trade depends upon fast transportation and communications. The 4-year aviation development program is geared to meet these requirements. Under this program, we shall see to it that the major airports are reconstructed and improved so that they can accommodate the operations of medium-range jet transports. We shall improve secondary airports in Luzon, the Visayas and Mindanao so that turbo-prop transports like the *Fokker Friendship* can land there. We shall spread good feeder airports all over the archipelago so that the small towns and communities can receive the blessings of aviation.

All these plans, which I fully endorse, require financial support. I call upon our people and Congress to extend all-out cooperation in the realization of this goal.

During all the years that we have been holding the Air Show, we have invited foreign contingents to participate in our Aviation Week although it is essentially a domestic affair. This is because air transport is fundamentally international. While air transport has been linking more and more of our rural communities to progressive towns and cities in Luzon, the Visayas, and Mindanao, at the same time it has been instrumental in bringing our country closer to the principal centers of trade and commerce in the world. In these internal and external activities of domestic and international air transports, this country's progress in culture, commerce, trade, and in other aspects of human endeavor has been considerably speeded up. This is the by-product of the operations of both domestic and international air transport. This mode of transportation is spearheading the overall development and progress of this nation and of all nations.

We must all appreciate the fact that the airplane is an international tool with unlimited potential for eliminating tribal and provincial attitudes and for fostering greater goodwill among people. Our part in the community of nations is becoming more and more important, particularly in the Far East. Whenever, therefore, we see an opportunity for bringing the people of various countries together, we do it, hoping that there will come forth among them greater understanding and liking for each other. Regardless of their nationality, creed, or social status, peoples are moved to admiration and friendliness by the skillful performer of an extraordinary undertaking. We see these extraordinary performers from abroad in our midst now, doing aerial feats in our Air Show or contributing various technical skills and scientific knowledge to this occasion. They do not only enchant and thrill us by their performance; they also evoke in us an admiration for their personal achievement and for the country they represent. It is in this spirit that we welcome and appreciate the participation of our friends from other countries. It is upon this spirit that we seek to build closer relations with other nations.

In this spirit, I now declare the Air Show officially open, expressing to our friends from other countries words of greetings and goodwill and to our countrymen my fervent best wishes for a happy celebration and a happy future for aviation in our country.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Radio-TV Address of President Macapagal on the Program “President Macapagal Speaks to the Masses

Radio-TV Address of His Excellency Diosdado Macapagal President of the Philippines On the Program “President Macapagal Speaks to the Masses”

[Delivered on November 29, 1962]

DEFECTION AND ARRASTRE

THE MAIN ENDEAVOR of the Administration is our five-year integrated socio-economic development program. After the successful shift from the system of controls to the system of free private enterprise, we are now in the second phase of the program, which is the faithful and vigorous implementation of the program.

As we expected, the implementation of the socio-economic program is well underway. We have solved the vital rice problem by assuring a good price to rice producers and an abundant supply to consumers at prices ranging from P.85 to P.95 per ganta. Although we have just started the implementation of the program the reduction in the rate of increase in prices under the present Administration has been such that an *Associated Press* survey of world prices disclosed on Nov. 22, 1962, that prices in the Philippines today are among the lowest in the world, next only to the low prices in The Netherlands. According to this survey, the countries with the highest prices are France, Italy and the United States, while the lowest prices are in The Netherlands, Philippines and Egypt.

Among the countless experts and business executives from other nations who have lauded the economic trend in the Philippines, Alfred Wentworth, vice-president of the Chase Manhattan Bank, on November 27, 1962, described the Philippines as now “one of the best investment possibilities in the Far East because of: ‘1 The decontrol program implemented by the present Administration and 2. The government’s positive action against graft and corruption.’”

Stephen Streeter, president of the American Tourist Association, after a tour which included other countries of Asia, declared on Nov. 22, 1962, that with the policies of the present Administration, the Philippines will soon become “the center of tourism in East Asia.”

Dr. S. Savkar, director of the Asian department of the International Monetary Fund, after weeks of observing the Philippine economy, declared on Nov. 24, 1962, that if we continue in the direction we have taken under our socioeconomic program, the Philippines looms to become in a few years as prosperous as, if not more prosperous than, Japan. Dr. Savkar said:

“Within the last 10 months, the Philippine economy has fared much better than most countries trying the same experiment. The introduction of decontrol in any country carries with it a period of readjustment of the economy and economic policies. However, the success so far by the local decontrol program has reflected on the government’s determination to make such adjustments smooth and easy for the people. Your government is doing its best to lead the nation forward, and your economic prospects are very promising. You surely are moving in the right direction.”

Indeed, because the courageous, constructive, and sound economic policies adopted by the Administration are geared to the awakening and utilization of the innate strength of the national economy, with the passage of time, and the continued cooperation of all necessary sectors, our economy will continue to improve and give rise to greater investments, increased production, more jobs and the stabilization of prices within the reach of the people.

Satisfied with the trend of progress for which we exerted grueling efforts to bring this about in the face of unnecessary self-seeking maneuvers of political adversaries—let us now dwell on matters of current public interest, namely, the mass defection of Nacionalistas into the Liberal Party and the assumption by the Commissioner of Customs of the operation of the arrastre service at the Manila harbor.

Already, the Nacionalista defections into the Liberal Party have included among incumbents one senator, thirty-one congressmen, six governors and several vice-governors, board members, mayors, vice-mayors and councilors. Arrangements have been made for many more incumbent Nacionalista officials throughout the country to affiliate with the Liberal Party.

The depleted opposition has posed the following issues, in connection with these defections: (1) that they are contrary to the two-party system and (2) that we have been inconsistent on the matter because when we were in the opposition, we deplored defections from the minority to the majority party. Both these contentions are unfounded and misleading.

The events taking place in the national scene today under the present Administration should be assessed in the light of the fact that in the fulfillment of its campaign pledge and in obedience to the people's mandate, the LP Administration has launched a reform movement. The actions of the Administration are in the pursuance of this reform program.

Generally, this reform crusade is aimed at improving the conditions whereby Philippine democracy may become an instrument not for the aggrandizement of a privileged few but for the benefit of the masses of the people under the wholesome atmosphere of fair and equal opportunity for all.

Many of us have taken it for granted that our democracy is perfect; that it exists in the Philippines as it should be. In the classic definition of Abraham Lincoln, democracy is said to be a government of the people, by the people and for the people. In a republican system such as that which we seek to operate in our country, a government of and by the people would be one under which the people, as the primary source of power, would have enough collective strength to choose their leaders despite undue obstructions posed by tainted money, terrorism, patronage and the forces of entrenched vested groups.

In the election of 1961, the world hailed Philippine democracy because by the election to the Presidency of an oppositionist and penniless candidate against an entrenched, financially-equipped and patronage-wise incumbent President, it was demonstrated that we were capable of having a government of and by the people because our people asserted their sovereign will against the ruthless use of money and power by an entrenched incumbent President.

However, with the election of an opposition candidate to the Presidency, a curious situation significant for a young democracy was created with the election of a Congress belonging to the other political party. In advanced democracies, like the United States, a situation in which the President belongs to one party and Congress is under another party has been considered undesirable. President Dwight Eisenhower declared that such a situation should be avoided as it is inimical to a properly working democracy.

Confronted with the unwholesome predicament of Malacañang pertaining to one party and Congress controlled by the other party, at the beginning of our term, we did our best to carry out our reform program in this peculiar situation. It will be recalled that we exerted all efforts to appeal to Congress for cooperation but later events convinced us that the deadlock between the President and Congress had to end, otherwise we would fail in our gigantic task of bringing about moral regeneration and socioeconomic progress. Acting on the conviction and taking into account that our economic problems were of serious proportions, we went along with the proposal of ranking Administration leaders to admit the Nacionalistas into the Liberal Party until Malacañang and Congress would both pertain to the Liberal Party.

Our sentiments while we were in the opposition criticizing the defection of the Liberal minority into the Nacionalista majority are being cited in an effort to show an inconsistency. It should be obvious that there is a vital difference between the situation at the time and situation today. Between 1954 and 1961, when the Nacionalistas were in power and the Liberals were in the opposition, there was no reason for the Nacionalistas to win over the Liberals because both the President and the two Houses of Congress pertained to the Nacionalista Party. The only possible purpose of the Nacionalistas in admitting the oppositionist Liberals was to eliminate the opposition, an act of theirs which they now pretend to condemn. In their disregard of moral considerations for political expediency, the Nacionalistas had

even maneuvered the defection of a Liberal stalwart into the Nacionalista Party as a means of going to power in the 1953 election.

The Liberal Party now faces a different situation from that under which the Nacionalista Party acted without principle and treasonably to the two-party system. When we were fighting for the Presidency, we had expressed ourselves against the oppositionists joining the majority party on the assumption that if we won the Presidency, our party would also win both Houses of Congress. We were entitled to make this assumption because in all presidential elections since the founding of the Republic, the party of the winning President also won in both Houses of Congress. This happened in the election of Roxas in 1946, Quirino in 1949, Magsaysay in 1953 and Garcia in 1957. It was only in our case where we won the Presidency but our party did not win either of the two Houses of Congress.

Convinced that this situation whereby the President belongs to one party and Congress belongs to another party is inimical to the national interest and would not be conducive to the success of moral, economic and social reforms expected by the people, we have been admitting Nacionalistas into the Liberal Party who subscribe to the prosecution of such reforms to the end that Malacañang and the two Houses of Congress shall pertain to the Liberal Party not later than next year, 1963. After this normal and desirable situation in a healthy democracy of the Executive and the Legislative being under one party is attained, it is the party policy not to admit anymore Nacionalistas into the Liberal Party.

Whereas the Nacionalistas during their Administration admitted oppositionists into the Nacionalista Party without a valid purpose except to eliminate the opposition, the Liberals are accepting oppositionists into the Liberal Party, up to a point, in support of a sound public policy of bringing about the normal and desirable situation of placing the Executive and Legislative under our party.

The action of the Liberal is, therefore, not against the two-party system because it is not aimed at the elimination of the opposition. On the contrary, it is to support and strengthen the two-party system because it is a cardinal principle of the two party system to give party responsibility for the conduct of government and which is only possible by having the President and the Congress pertain to the same party.

The important significance of the necessity for the Liberals to admit Nacionalistas who believe in Liberal principles into the Liberal Party is that democracy in the Philippines is undergoing a period of growth towards maturity and strength. Democracy as practiced in America and Western Europe is comparatively new among the young independent nations of Asia, which includes the Philippines. We have a long way to go before democracy matures in Asian countries, considering that we have to adjust its operation to the peculiar conditions obtaining in every Asian Country.

As in other countries in this region, the Philippines has been undergoing development and evolution towards a mature, healthy and strong democracy. The 1961 election was significant in that it has increased the ability of the masses to assert their majority will over the entrenched power of traditional political cliques, vested interests and the moneyed sector of the populace. But while in that election Philippine democracy made a forward advance in demonstrating that it has effectively become a government of and by the people, the advance was incomplete and lopsided in that it manifested a new frailty in creating a predicament undesirable in a healthy system of having a President and the two Houses pertaining to different parties.

To seek to correct this frailty immediately before it produces its adverse effects on the national welfare and slow down the advance of growing and maturing democracy is neither politicking nor sabotaging the two-party system, much less rendering a disservice to democracy, but rather this effort constitutes an awareness of the nation's fundamental problems and reflects a resolute readiness to solve such problems.

It is not simply an imperative of political science but a matter of national welfare that this predicament is rectified as soon as possible because to allow a deadlock between the President and Congress to linger would jeopardize the national interest and frustrate the people's expectations for a better life. Moreover, such a situation would open the way for selfish compromise at every turn which would mean moral retrogression and a harm to the national well-being.

For the Liberal Party to admit Nacionalistas into its fold in order to place the Executive and Congress under the same party is not, therefore, politicking but rather, it is an endeavor for the determined pursuit of the high national goals involved in the Administration's moral and socio-economic programs which should not be allowed to fail.

Accepting as a fact that our democracy is undergoing a process of vigorous growth, the objective of placing the Executive and the Legislative under one party at the earliest possible time is itself a part of that growth. For while the 1961 election showed that our democracy is a government of and by the people, there remains the formidable task of making it a government for the people that is to say, not a government that showers its benefits to a privileged few but one that spreads its blessings to all the people.

This is the core of the reform program of the Administration—to make our democracy a government truly for the people and not an instrument for the perpetuation of monopoly and privilege on the part of those vested and powerful interests who exercised effective control over public agencies for their monopolistic aggrandizement under the cloak of false gestures of serving and promoting the people's welfare. This is the rationale of this Administration's policy of seeking the equal application of the law to both the rich and the poor, the powerful and the weak and the emphasis on the principle that no man shall be above the law. It is the justification for the government's identification of certain categories of baneful groups and the taking of action against the most powerful leaders of such progress-obstructing groups. The goal is to so apply the law as equally as is humanly possible to all the citizens and to so discourage the persistence of monopolistic designs of powerful vested and unscrupulous interests as to bring about conditions of fair and equal opportunity for all the people. It is only in the midst of a general atmosphere of equal and fair opportunity for all that democracy can be effective in promoting at an adequate pace the general welfare, conditions in which democracy is truly a government for the people.

To carry out this monumental reform program in sufficient scope within four years is a task of gigantic magnitude that will require unprecedented measures both in the Executive and in the Legislative sphere of the government. To attempt such a herculean task in a situation of a deadlocked President and Congress wherein leadership had become accustomed to an attitude of partnership and not statesmanship, would either be a gross underestimation of the dimension of the job or frivolous attitude towards it. Measures of a far-reaching consequence will have to be pushed through in Congress. A sense of realism makes it indubitable that the enactment of such measures by a Congress politically at odds with the Executive would be a forlorn and empty hope.

It is on the basis of these considerations that the Liberal Party leadership has embarked on the difficult but essential undertaking of placing Congress and the Executive under the same party through both the admission of the necessary number of Nacionalistas into the party of the President and the election of the necessary number of senators in the next elections. While respecting the rash judgment of those who may be viewing our problems in a superficial manner, we submit to sober-minded citizens and to our countrymen in general that in embarking on this undertaking, we are not engaging in politicking but in relentlessly discharging our mandate to effectively bring about moral growth and the economic and social progress of our people.

Let me now dwell on the arrastre service case at the Bureau of Customs. There are involved in this case, first, the implementation of the Administration policy of turning appropriate government enterprises over to private capital and, second, the extension of the reform drive to labor by discouraging corrupt and unscrupulous labor leaders who exploit the laborers.

In the implementation of the policy to turn over to private enterprise government business concerns, the arrastre service should be the first one to be returned to private enterprise.

This is so because the arrastre service was already in private hands during the first Liberal Party administration but was taken over by the government and placed under the Manila Railroad Company when the Nacionalistas came to power in 1954. The MRRCo operated the business through the Manila Port Service which entered into a labor contract with the union headed by Roberto Oca.

The contract of the Manila Port Service with the Bureau of Customs to handle the arrastre service ended on June 30, 1961. When the Secretary of Finance Dominador Aytona did not renew the contract between the Bureau of Customs

and the Manila Port Service relative to the arrastre service, Oca's group, fearing as a consequence the ineffectuality of their contract with the Manila Port Service created a troubled situation, forcing Aytona to call in the armed forces to maintain peace and order at the piers. Parenthetically, while the Liberal Party administration is being taken to task for calling in the armed forces in connection with the arrastre affair, no criticism was and is being made against Aytona who called in the armed forces to avoid trouble with Oca's men and to maintain order at the piers.

The immediate background of the present arrastre conflict started when Oca declared a strike in October against the Manila Railroad Company which was operating the arrastre business through the Manila Port Service by demanding a P30 cost-of-living raise despite his knowledge that the Manila Railroad Company was bankrupt. To maintain industrial peace at the harbor particularly during the coming Christmas season, MRRCo Manager Paulino Cases and Manila Port Service Manager Julian Chavez granted Oca's demand. Then this November, Oca declared another strike, this time demanding that his renewed contract with the Manila Port Service be respected by the winning bidder in the transfer of the arrastre to private enterprise which Romualdez advertised to take place on November 23rd. Again to preserve industrial peace during this Christmas season at the piers in order to protect the public from the adverse effects of failure to release goods at the harbor, Secretary of Finance Rodrigo Perez and Commissioner Romualdez decided to heed Oca's demand by proposing to cancel the November 3rd bidding in order to consider Oca's desire to include his contract in the bidding terms in a manner so as not to defeat the projected transfer of the arrastre to private hands. Instead of accepting or considering this clearly reasonable proposal of the government, Oca hid from Perez and Romualdez. When Perez succeeded in communicating the proposal to Oca, the latter rejected it and insisted on the immediate inclusion of his contract in the bidding terms, which demand would have had the effect of sabotaging the transfer of the arrastre to the private sector. Oca continued with his strike, thus leaving the Bureau of Customs no other alternative but to operate the arrastre service to avoid paralyzation of commercial and industrial activities.

Under the law, after the Bureau of Customs had decided to operate the arrastre, it shall do so as a government service and not as a business under proprietary functions. Romualdez accordingly asked the assistance of the navy and the army to furnish and operate needed equipment and protect public and private properties at the customs premises.

These are the material facts in the arrastre case. The persistence of Oca in creating trouble at the piers shows his irresponsibility and his desire to harass the Administration and prejudice the public welfare by dislocating release of goods at the piers during this time of the year. When in addition, he challenged the government to sue him in court, the government, being in possession of evidence against him for penal and administrative violations, was left without choice except to accept his challenge and take steps to expose him in court for the unscrupulous and corrupt labor leader that his record shows him to be.

From the foregoing, the following should be evident:

1. The law confers on the Commissioner of Customs the authority to operate the arrastre service as a government function.
2. Oca's union has no contractual relation with the Bureau of Customs; hence, no strike exists against the Bureau.
3. The Commissioner of Customs was justified in seeking the help of the navy and the army in pursuance of the practice that one government office may seek the help of another in the discharge of its governmental function.
4. Oca's activities are in disregard of the rights and welfare of his members and appear to be designed to embarrass the administration by giving up goods at the harbors during this season. In today's papers, Oca bragged that: "I have been very vocal in my criticisms against this administration for the suffering of the masses." (*Manila Chronicle*, Nov. 29, 1962.)
5. The position taken by the Government does not justify a slur that the administration is anti-labor.

With reference to the fifth enumeration, this administration is a friend of labor. Its program is precisely to elevate the level of living of the working masses and to create conditions of fair and equal opportunity whereby labor and its professional leaders can effectively fight for labor's rights under more or less equal footing and strength with management. To do this for labor, the administration has taken unto itself to engage in decisive struggles with powerful groups who obstruct better-opportunities for the common man. In extending our reform program to the ranks of labor, it is our hope that there will be fostered an increasingly responsible and efficient leadership that will gain more respect from management and from the public, which will certainly be fruitful of better concessions and benefits for labor.

The provocations of Oca have given an opportunity to the administration to extend its moral drive in the moral field by exposing Oca, thereby discouraging unscrupulous and corrupt leaders from exploiting their laborers-followers for their selfish personal interest.

This moral drive which has already included the corruption of public officials by persons like Stonehill, alien corruptors like Peter Lim, politicians who misuse political power and public office for undue accumulation of wealth like the Lopez brothers and former Speaker Jose Yulo and foreign meddlers in our national elections, like Stewart, tax evaders like Kho, pernicious naturalized Filipinos like Ernesto Ting, Ko Keng and Yao, profiteers like Bio, and now extended to undesirable labor leaders like Oca—is calculated to strengthen our democracy as an effective implement for the people's welfare by establishing conditions of equal and fair opportunity for all our people.

In the evaluation of public issues like the Nacionalista defections and the arrastre matter, the important thing to remember is that a job has to be done by this administration. The present administration was elected by our people to do the task of undertaking reforms to curb graft and corruption and to give a chance to all citizens to attain prosperity. This work must be done if our people are to enjoy what by right they are entitled to in the form of a better life in a democratic atmosphere of fair and equal opportunity for all and if our people are to keep their faith in democracy. This job must be done so long as its accomplishment is within the context of the Constitution and the law. That its accomplishment will upset accustomed ways which precisely tended to perpetrate monopoly by a few or puncture false postures and expose hypocrisies that have heretofore obstructed real progress is unregrettable. On the other hand, if we are to refrain from the accomplishment of the job to be done simply because we wish to avoid unpleasant aftermath, it would make us recreant in our duty entrusted to us by the mandate of our sovereign and people.

It is not easy to go against the interests of particular individuals, some of whom enjoy our personal affection. Indeed, the task of the presidency is not an easy one. But there can be only one way to handle this post if the President is to be worthy of his trust and of the faith of the people—it must be done by doing what is right and what is demanded by the welfare of the people no matter if it hurts other and even his own self. It is only thus that the Presidency can be an instrument for the nation's good and not be a position for the benefit of the incumbent and a selected few. On our part, with God's guidance, we shall act firmly on what is right and on the exacting dictates of the national interest—with absolutely no ill-will against individuals concerned—ever conscious of our duty to strive for the fulfillment of the people's mandate for them to attain a better life.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal before the Convention of Rice and Corn Farmers, Millers and Traders

**Address
of
His Excellency Diosdado Macapagal
President of the Philippines
Before the Convention of Rice and Corn Farmers, Millers and Traders**

[Delivered on December 11, 1962]

OUR GOAL: RICE SURPLUS FOR EXPORT

I FEEL highly honored and delighted to be with you today and to be able to participate in your auspicious convention activities.

I have looked forward to this opportunity to discuss with you one of the most vital problems of our country the program for its solution which the government, in concert with those who are engaged in the rice and corn industries, must undertake vigorously and effectively.

I refer to the problem of marshalling all our available resources, both government and private, toward the attainment of food sufficiency for our people at the earliest possible time.

It is elementary that an individual must first be able to provide himself with his basic needs—and obviously food is the first of these—if he should be expected to aspire for a desirable standard of living. As it is with individuals, so is it with a nation. We must accordingly strive to bring the national production of rice and corn, which are the staple items in the diet of our people, to the level that would readily meet our increasing consumption requirements. As a minimum target, any program for the development of the rice and corn industries must aim at providing, at the very least, the minimum requirements of the population.

Indeed the first goal of my administration is to attain self-sufficiency in the staple food of our people. This I made clear in my inaugural address wherein I said:

“Our mission is to attain self-sufficiency in the staple food of our people, namely, rice and corn. The elemental needs of every people are food, clothing and shelter. While attending to the people’s needs for adequate clothing and shelter, the urgent emphasis shall be on their need for staple food. With the cooperation of Congress, we shall launch and implement a rice and corn program that shall bring about sufficiency in the production of these cereals and make them available at prices within the reach of the masses.”

I emphasized this in my inaugural address because I believe in a sensible approach to our task of nation-building. It is sheer common sense to keep uppermost in mind that rice and corn are our first problem and need. It will be in vain and an empty claim to achievement to talk of grandiose plans and feats of success if we cannot even provide sufficiently and within easy reach the rice and corn needed by our people. Before anything and everything else, let us first feed our people.

There is good reason to lay emphasis on this simple fact. In 1957, a world survey showed that the Philippines was the third lowest among the 23 palay-growing countries. Our average yield per hectare was 27.5 cavans as compared to 136 in Spain, 95 in Japan and 64 in Taiwan. It is paradoxical that despite our extensive and fertile agricultural lands with 100 inches of rainfall, the Philippines occupied the third lowest in palay productivity.

Our population has been increasing at a rate of 3.2 per cent every year. We are now about 30 million people. After five years, we shall have grown to 34 million people. At this rate of growth, our yearly consumption requirements for rice alone, which are about 90.53 million cavans of palay, will be approximately 106 million cavans of palay in 1967. This means that we must increase the yearly production by average of not less than 3 million cavans of palay

if we are to prevent famine or exorbitant rice prices from knocking at the doors of the mass of our people, particularly, the poor. We have increased our production of the staple cereals every year. However, with the trend in the annual rate of production increase, which has been approximately 1.5 million cavans of palay and 0.86 million cavans of corn, our rising consumption requirements have outpaced our production gains. Moreover, occasional typhoons that destroy our crops and the uncertainties of the weather have aggravated the problem.

The solution to the problem is not simple. This is indicated by the fact that in the last 50 years, agricultural efforts have been characterized generally by the annual importation of rice to supplement local production. But it is my conviction that the problem can be solved if we exert earnest, aggressive and sustained effort toward its permanent solution. My Administration is ready to provide the needed leadership in bringing about the permanent solution.

As an immediate measure, we have endeavored to stabilize the prices of rice and corn through the skillful operation of the Rice and Corn Administration. The RCA has succeeded in forestalling the occurrence of rice crisis this year, and without resorting to the seemingly traditional, and certainly expensive, measure of importing the cereal.

By this commendable feat, the RCA has kept faith with the expectation of congress and the administration by implementing the government's price support program as prescribed by Republic Act 3452. It has been purchasing palay at the support price of P11.50 per cavan and corn P9.00 per cavan from the farmers, thus helping to influence farm prices to follow a trend, per ganta and corn grits at P0.40 to P0.50 per ganta, making these cereals readily available at prices which the common tao can afford.

I strongly favor continuation of the price support program for rice and corn for as long as it is necessary, and I shall exert all efforts so that adequate funds are provided for the program in order to insure the protection of the interests of both the producers and the consumers.

Consistent with the policy of my Administration to provide widening freedom for private enterprise, the RCA unloaded its stocks on the market this year only when the prices of the cereals started to show signs that the supply flowing through the private channels were inadequate. I am glad to know that in line with the same policy, the RCA has utilized and will continue to utilize, privately owned warehouses and mills located at its centers of operation. These facilities by RCA should give the millers the opportunity to assist in the government's stabilization function and, at the same time, enable them to expand their volume of business.

Through the RCA, we have licked the short-run or emergency phase of our rice and corn problem, which is the avoidance of shortage and a consequent crisis during the non-harvest and lean months. The more difficult phase of the problem, which consists of sufficient production that will provide in a sustained manner the growing needs of our population, will now be our major concern and endeavor. The larger part of the government's program toward self-sufficiency in food over the long run consists of a multipurpose endeavor which includes the following:

1. *High Yielding Seeds.* We are boosting the production of certified seeds as the availability of trained personnel and funds may permit and we are encouraging the wide-spread use of high yielding seed varieties.

The use of ordinary rice and corn seeds of the non-Seed Board varieties has caused the low productivity of these crops. Seed Board Varieties have given 11 cavans more of palay per hectare and 12 cavans more of corn. The Bureau of Plant Industry has been establishing additional rice and corn breeding stations in selected regions calculated to serve the increasing needs of our farmers. Our goal is to produce 12,500 cavans of registered seeds, 273,000 cavans of first-generation certified seeds and 2,620,000 cavans of second-generation certified seeds in 1967. This should more than meet the requirements of the farmers as called for by our production goals.

2. *Irrigation.* Under our public works program, we are expanding irrigation facilities so that more and more land can be utilized to produce not only higher unit yields but a number of crops a year.

The use of irrigation increases production at an estimated 11 cavans of palay per hectare. Of the 3,260,000 hectares under rice cultivation, about 760,000 hectares, or one-fourth of the total rice areas, are irrigable, but actually only 286,000 hectares are effectively irrigated, in the sense that water is available any time when needed. Hence, under

the irrigation phase of our five-year socio-economic program priority is given to water work systems, completion of unfinished ones, and repair of those which are damaged. Our goal is to irrigate a minimum of 1,000,000 hectares, and 10,000 additional hectares every year until our production goal becomes a reality.

3. *Fertilizers.* We are taking steps to make a greater quantity of fertilizers available to the farmers every year and to provide appropriate technical assistance to insure the use of the proper fertilizers by the farmers.

The use of fertilizers was found to increase the yield of palay by 20 cavans and of corn 13 cavans. Our farmers have begun to realize the relation of the use of fertilizers to increased yield. Now they clamor for more fertilizers. In 1961, there were distributed to the farmers, 670,140 bags of fertilizers worth P7,834,913.00 whereas in 1962, we distributed 1,307,400 bags worth P7,834,913.00. The increase in fertilizer distribution was due to the timely release of increased funds by our Administration and to more effective ways of procurement and distribution eliminating unnecessary delays, middlemen and blackmarketing. Steps have been taken to ensure delivery of fertilizers next crop year to farmers before the planting season. I have recently extended the life of the Rice and Corn Coordinating Council so that our farmers may enjoy the benefit of fertilizer subsidies. We have also encouraged the manufacture of fertilizers in our country because it would not be in consonance with sound economic policy to depend on foreign sources for our fertilizer needs.

4. *Insecticides.* We have encouraged the profitable use of insecticides to protect the plantings of the farmers from harmful insects and pests. Control of plant pests and diseases increases production at an estimated 5-10 cavans per hectare of palay and 6 cavans of corn.

5. *Agricultural Practices.* Through intensive information and extension work, we have vigorously sought to change the unproductive agricultural practices of our farmers to improve methods and techniques.

The problem is how to disseminate and bring directly to the knowledge of the farmers these agricultural methods so that they can be properly applied. In anticipation of this problem, I caused the appropriation of P7 million for additional extension workers who are to do this job. The Emergency Employment Administration is in the process of employing 2,480 extension workers, livestock campaigners and farm aides. With these additional personnel, funds and facilities, a crash food production program is now being undertaken in 10 selected provinces to educate and to show our farmers in their farms what modern agricultural practices can do to increase production of crops. It is premature to evaluate the effectiveness of the work done by these extension workers, but from the preliminary reports received, the result is positive and encouraging.

6. *Financing.* We are providing liberal financing for deserving farmers. Toward this end the government financing institutions, including the Philippine National Bank, the Development Bank of the Philippines and the Agricultural Credit and Cooperative Financing Administration have extended substantial credit facilities to the farmers.

The ACCFA is now revitalizing its activities in the extension of credit facilities and in the formation of cooperative marketing associations which are essential in servicing the produce of farmers in order that they may realize more income. To improve the financing of farm operations, the offices concerned have a project of extending supervised credit, that is, loans with the necessary instructions and supervision on how they could be utilized in rendering the farms more productive so that the farmers may be able to repay the loans and the lending institution may be better assured of repayment. The important consideration is that every peso loaned must be spent for the productivity of the farm.

7. *Marketing.* We shall foster the better organization of the farmers, millers, and traders to enable them to develop, through group initiative, skill and resources, a more efficient marketing system for their economic advancement. Through the Rice and Corn Board, we are fast shifting the control of the rice and corn trade from alien to Filipino hands.

8. *Floor price for palay and corn.* Another incentive to production is a guaranteed floor price for palay and corn where the farmers can be assured of a margin of profit. The RCA is now busy buying palay at P11.50 per cavan of 44 kilos and corn at P9.50 per cavan of 57 kilos.

9. *Research.* We are deeply interested in providing adequate support and the right atmosphere for research work on the development of high-yielding and disease resistant varieties, the use of effective fertilizers, better cultural practices, and various cropping systems. Excellence in patient and thorough scientific research work must be promoted so that we can find the lasting answers to many of our age-old farm problems.

The appropriate arms of the government, including the Bureau of Plant Industry, the Bureau of Soils, the Bureau of Agricultural Extension, and the government agricultural colleges are conducting, within the limits of their financial support and technical know-how, work on plant varietal improvement, cereal chemistry, soils and agronomy, plant protection, agricultural engineering, and agricultural economics.

We are fortunate that the International Rice Research Institute, which is jointly supported by the Rockefeller and Ford foundations, has been established in the Philippines. This Institute, with its facilities and highly trained personnel, offers a great promise in the build-up of scientific knowledge on rice in this part of the world. Because it is located in the Philippines, we have the rare opportunity of being the immediate beneficiaries of the benefits of its research programs.

With this multi-purpose line of action in our rice and corn program, we expect to achieve self-sufficiency and, we hope, a reliable surplus in rice and corn for export within the next five years. For crop year 1962-63, we aim at a production of 90.2 million cavans of palay and a carry-over of 11 million cavans, making a total of 101.2 million cavans which is 8.2 million cavans more than our national requirement of 93 million cavans.

At the end of crop year 1963, we expect a surplus of around 8.8 per cent of the total national requirement which includes the estimated carry-over from 1962. By 1964, production is expected to be 1.9 per cent more than the requirement. By 1966, the required stockpile of 5 per cent of the national requirement would have been met, which will act as a buffer stock for meeting emergencies, like the effects of typhoons, floods, and other calamities. For corn, the stockpile requirement of 5 per cent of the national requirement shall have been met by 1963. The increasing surplus differences over said stockpile requirement may be more than enough to meet any sudden and abrupt increase in the rate of development of our poultry industry.

An estimated 2 million cavans of palay are used as animal feed every year. If we could increase the production of corn to take the place of palay as animal feed, we can make these 2 million cavans of palay for human consumption. After all, corn is better for animal feed than palay because it contains more protein.

When we attain a rising level of surplus production, problems may be expected. One is that surplus stock would tend to weigh on the market and depress prices. This problem, however would not be too difficult to solve. In its face, we intend to seek a foothold in the world market for our surplus and to gradually withdraw the marginal land from rice and corn production and use it instead for other suitable and profitable crops.

For this comprehensive rice and corn program which I have described briefly, we shall provide as much financial support as may be justified by the requirements of the program and by the pace and extent of our accomplishments.

But plans and money alone will not bring us to our goal. Plans must be implemented aggressively and money must be spent wisely. It is, therefore, imperative that those who are at the helm of the implementing agencies for this program must be thoroughly competent and imbued with a high sense of devotion to the task of achieving our objective, realizing that achievement would mean the amelioration of the economic and social life of our people and that failure, in contrast, would bring misery and justifiable discontent, particularly to the less fortunate of our masses.

I, therefore, seize this opportunity to enjoin all officials and agencies of this administration, particularly the Department of Agriculture and Natural Resources and the bureaus and offices concerned under it, to exert utmost and extraordinary efforts to insure the attainment of our national objective of food sufficiency. In candor, I must state that the actual attainment of this objective shall be the measure of the merits of their official efforts and actuations. Whatever else they do, whatever qualities and merits they display, while noteworthy, these shall be inadequate as a gauge of their performance, unless and until they and we succeed in attaining sustained self-

sufficiency in rice and corn. Any official, employee or citizen who contributes in a particular manner to the attainment of this, our goal of self-sufficiency and rice surplus for export, shall be, in the eyes of this administration, a hero deserving of recognition and the gratitude of the entire nation.

Yet, the government's efforts alone will not bring the desired success, unless you who are directly engaged in the production, storage, processing and marketing of the staple cereals lend your full cooperation in a determined drive toward our objective.

Recent surveys conducted by the Government show that wastage in harvesting is about 1.45% and that the use for poultry and animal feed and for commercial and other purposes is about 6% of production. In milling, the recovery in "kiskisan" is reported to be 50% while in "cono" is about 67% or a difference of 17%. As 50% of palay production goes to trade and 50% of this is milled by "kiskisan," conversion to the use of "cono" will give the advantage of recovering more by 17% of one-fourth of the total production, or an addition of about 1.9 million cavans of rice per year. Similarly, RCA has reported that loss in drying, defective storage, milling, etc. is about 10%. I, therefore, appeal to all concerned to consider the causes of waste and losses with a view to minimizing, if not totally avoiding them.

The RCA recently approved a resolution increasing the milling fees to be paid by it to make your milling operations economical. I urge that further studies be made so that the milling tax of 2% shall be applied to the milling fee and not to the selling price of rice.

I urge you all to continue to go about your respective endeavors with a deep feeling of devotion for the welfare of our people. The government will seek new ways in order to provide you with a better climate for obtaining, through higher productivity and efficiency, fair and just returns for your investment and labor. As your collective orientation and actuation develop fully to a real, mature sense of responsibility toward your group interest in relation to the general welfare, I am certain that the government shall limit its activity in this field more and more until it entirely eliminates its active participation in the rice and corn business.

I have faith in the patriotic zeal of the members of this convention and the thousands of farmers, millers, and traders whom you represent. I close with the hope that, as we move and hasten toward the attainment of self-sufficiency in food and in our goal of surplus for export, we have a right to feel that complete success will bless us. Partly, because in the solution of our food and other problems, the government and the private sector have, in ideal partnership, deserved new strength and effectiveness in our common mission of bringing about the economic and social progress and happiness of our people.

Source: Presidential Museum and Library

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal at the ceremony reserving Pier 14 for the exclusive use of fishing industry

**Address
of
His Excellency Diosdado Macapagal
President of the Philippines
At the ceremony reserving Pier 14 for the exclusive use of fishing industry**

[Delivered on December 14, 1962]

LAUNCHING FISHERIES DEVELOPMENT PROGRAM

TODAY, December 14, 1962, we mark an event unique in the economic and social life of this country. For many years past, the fishing industry had been crying for attention and assistance. While millions were being poured into the industries of the farmers of the land, little was allowed to trickle down for the farmers of the waters of this country.

Today, let me express my deep abiding faith and confidence in the fisherman and in the fishing industry of this country and my deep concern for the fishing industry, which I know can respond to heights of accomplishment if adequately attended to, and properly encouraged.

The Philippines is about the only country without a fishing port. Tons of ice and oil, equipment and many men have to be brought to and from the fishing vessel as far as three kilometers from the shore. Your own fishing landing at Navotas, Rizal, does not have the minor facilities for docking.

Because of the dearth in the facilities for the preservation of fish, fish is thrown away or buried in the sand and fishing is not pursued sufficiently as the fish will only spoil. As a result, we have heretofore been able to develop virtually nothing more than the dried fish business.

Fifty kilograms of fish a hectare from a fresh water area, as we are getting now, is too little. Properly managed fresh water areas can produce, as in other countries, no less than 500 kilograms per hectare. The average yield of our salt water swamplands that have been developed into bangus fishponds is approximately 600 kilograms per hectare. This is way below the 2 tons yield in countries like Japan and Taiwan. There is, in this country, still much to be desired in this industry.

From today, you will see the rise of fishing ports to be constructed along the many shores of this country to better service the landing requirements of the fishing industry.

Adequate preservation facilities are part and parcel of the fishing industry. If this is true in countries as cold as Denmark or Canada, it is especially true in this country. We are adopting the initial step to set up refrigeration and ice plants all over the country to provide appropriate storage for the fish and meet the ice requirements of those engaged in fishing. Because of this, marketing will become simpler, the consumer becomes assured that his fish is fresh, and the fishing boat operators or the fisherman himself need not buy his ice at 5 pesos a block.

Seventy fish nurseries, fully equipped with laboratory equipment, will be established all over the country beginning today in order to supply the stocking needs of the more than 200 thousand hectares of freshwater areas and the more than 100 thousand hectares of salt water ponds. A comprehensive study will be undertaken on how to reduce the mortality rate of bangus fry and fingerlings from as high as 60% to nil, on how to fertilize the ponds to at least double production, and in order to pave the way for the controlled breeding of shrimps and prawns, and even bangus.

For a more useful exploitation of our shoals and flat bottom areas, a massive program of otoshi-ami fishing has been designed. This may well be the answer to those thousands of fishermen along the coasts where the bottoms are steep

and flat. This will definitely open a new field not only in fish capture, but also in the manufacture of coconut coir fibers and ropes all over the islands.

The problem of dynamite fishing is still with us. It must be solved. Dynamite fishing must be stopped. Soon the coastal fishermen will be attended to by no less than 500 wardens and demonstrators who will not only enforce the fishery regulations, but will at the same time undertake a demonstration program on the more effective and legitimate way of coastal fishing.

This kickoff on the fisheries development program brings into full focus the desire of this administration to accomplish the following:

1. To provide the necessary facilities for fishing operation, fish marketing and distribution as well as fish preservation, as indispensable conditions toward the establishment of canneries and other fish processing plants;
2. To provide the facilities in making available to all engaged in fishing, the latest in fishing techniques for coastal as well as deep sea fishing, aware of the fact that improved fishing methods and better management are the answer to more fish and to a better fishing business;
3. To provide the necessary corps of dedicated men, who will police the coastlines and fishing areas of this country for effective conservation, and at the same time demonstrate better fishing equipment for profitable processing and marketing methods, particularly for the small fishermen;
4. To set the base for improved management of our lakes, dams, reservoirs and marshes which heretofore have either been unexploited or abused;
5. To set the pace necessary for an accelerated development in deep sea fishing, to attain not only self-sufficiency in fish, but also for exports receipts from fish and fish products;
6. To set the base for a continuing massive development of our fishing industry, which will provide tremendous employment opportunities arising from the rise and establishment of such corollary industries as boat building and repair, net making, fishing paraphernalia manufacturing, engine work, woodwork, copper and bronze works, iron works, refrigeration, ice-making, and sea transportation, canneries and fish processing plants and fishmeal plants and from the trade and commerce generated from the coastlines to the interior towns and cities.

This administration takes pride in announcing now its readiness to help you in the fishing industry with all means available. Under the administration's socio-economic program, we can march together along,—we, giving you the basis and facilities for profitable fishing activities, and you, giving your energies and efforts not only towards a profitable fishing business, but also towards the more important goal of providing food for all our countrymen.

A vigorous program for fisheries development is therefore on. We have taken the initiative. To you, in the business, I throw the challenge of the day—more fish, and, therefore, more food for every one.

I therefore officially launch the Fisheries Development Program of this administration by declaring that this Pier 14 will hereafter be for the exclusive use of the fishing industry.

Source: Presidential Museum and Library

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal at the Faculty-Students' Convocation on President's Day, December 18, 1962

**Address
of
His Excellency Diosdado Macapagal
President of the Philippines
At the Faculty-Students' Convocation on President's Day**

[Delivered on December 18, 1962]

THE ROLE OF THE U.P. TODAY

WE HAVE a difficult task in our country today. The goals upon which this Administration is embarked, to which all our energies are directed, call for a sweeping revision of many of our accustomed ways, for they involve no less than the re-shaping of our national character and the replacement of outmoded policies that had run their course, with new social and economic programs of action that will affect every facet of national life. These goals are not less yours than ours. Your institution has an undeniably crucial role in this endeavor. I recognize and value the part you will play, in the unfolding of the Five-Year Integrated Socio-Economic Program which I prepared in my first year as President, for which I shall draw upon every resource of our people to implement as I begin my second year. You may therefore expect my unceasing call for the services which I know you are uniquely equipped to provide in order to make of this program a vibrant reality.

In my blue-print for development, it is not surprising that there is not a single topic for which the state university and its manifold programs may not be tapped in a positive way. You shall be an important contributor to the skilled manpower needs of this program. Your staff shall, on occasion, participate directly in our programs, or act as consultants, or as surveyors of advice that your research may generate.

Aware as I am that your primary mission does not lie in the training for vocational skills, I have sought to secure this need by my project in establishing the Labor University which will reach out into untouched segments of our society and give the opportunities for advancement to those who would otherwise never have the chance to get the training for much-needed vocational and technical competence, in the same manner that you have so successfully trained for intellectual leadership two generations of Filipinos all over our country. The Labor University is meant to complement the state university, in an endeavor where its facilities would be unwisely allocated. My program will, therefore, need your services in the area of your proven competence, where I shall exhort you to still greater and more superior performance. For this, I am prepared to bring to bear the appropriate support. This is in the area of managerial and executive leadership in all spheres of critical importance to our nation, particularly in agricultural and industrial development, fiscal and monetary policies, commercial and trade policies, social welfare and manpower policies, regional development, public administration and other fields where you will be expected to lend your shoulder to the wheel.

I have previously made reference to the University of the Philippines in connection with administrative governmental reform, specifically as regards the proposed Executive Academy in your Institute of Public Administration, and also in relation to this Institute; research and training in local government. But if I have not singled out for mention any other area, it is because I considered it axiomatic that the state university would be continuously engaged in advanced work in the basic sciences and in the arts and in all applied fields of technology and sciences. We are a nation of many universities and much valuable work is being done in all of them. But nowhere else in this country can be found the vast assemblage of skill and talent that is yours. Nowhere else can be noted to the same degree—that of pre-occupation with excellence which impels your scientists, your teachers and your artists, as they daily seek to force back the wall separating apathy and ignorance from knowledge and sensibility. You shall be called to lead where your imagination makes you turn, and where we ask you to turn. It is for this reason that I am quite pleased to hear from your president about his project to transform the state university into a dynamic agency for the production of new ideas, to a truly creative center, for which a new emphasis on

research and graduate training will be needed with the start of the five-year development program this coming year. I fully endorse and support this project.

This pleases me personally because it will ensure a continuing reservoir of skill and talent from which we can draw the requisite hands that will man the Five-Year Integrated Socio-Economic Program as it gathers momentum. As we grow in industry and commerce, in agriculture and in trade, the need for trained men and women will grow as an exponential function of the increase in our activities. Our schools and our technical institutes must be ready to meet this need. The state university cannot of course begin to supply the hundreds of thousands of trained labor that will be needed every year, not even with the other universities combined. What will be needed, especially from the state university, will be the men and women who are trained in the higher skills: management, scientific, and intellectual, that is, the skills that will direct the labor toward the goals we have set for this nation.

Let no one gainsay, therefore, the Administration's commitment to higher education. From the beginning of my incumbency, it has been clear that our nation's stake in higher education is a measure of its claim to greatness. On the development of our intellectual resources rests our future achievements as a people. You all know the aspirations of our people for higher education. It is one of the values that make the farmer in the field and the worker in the factory work a little harder so that he can send a son or daughter on to college or university. The youth of this land are infected with the same passion. We cannot short-change their hopes, their dreams of glory, at the same time that we exhort them to greater levels of achievement.

You have heard also of my concern for the moral regeneration of our people. This, as you know, I consider an essential pre-condition to success in all social, economic, and technological programs the government may wish to launch. Let no one believe for a moment that success is theirs, until they can say with pride that they have eliminated the dry rot that saps the soul of our people today. Here, on this topic, I want to add another dimension to my thoughts about higher education. It is my contention that higher education is not devoid of those values that alone give meaning to the life of the individual and his group, that render him useful to society, and similarly make society meaningful to him. It is for this reason that I do not for a moment doubt the moral integrity of the man who has thoroughly undergone the liberalizing and the enlarging experience of higher education, for morality begins with the mind, and becomes whole with action.

I want you to know that the Administration is prepared to translate its concern for higher education into active and substantial support. The resources of our government shall be brought to bear on the numerous but not insurmountable obstacles blocking the agencies of government, including yours, in the realization of their goals. I say this with the full realization that by so committing them I ensure the success of any program designed to promote the welfare and the prosperity of our people.

That these obstacles are heavy I have become painfully aware of, as a result of the efforts of Dr. Romulo to bring them to my attention and to plead the state university's cause to me. I find that much as we take pride in your being the premier university in this region, we must also take note of the handicaps that hobble your institution's effort at excellence. I am told, and it shocks me to hear it, that your faculty's salaries are among the lowest in the world, that they are four or five times less than those of the University of Malaya, the state university of a neighboring country. It is equally disheartening that, considering that the germ of all new ideas and effective implementation of plans is original research and creative work, the present allotment to research within the financial structure of the University does not exceed one per cent of the total budget. This is a mere pittance compared to the research budgets of comparable state universities in the United States and elsewhere.

Likewise, it is to be deplored that relatively so few of your staff are engaged in scholarly activity other than teaching, where in universities abroad almost every scholar is busily engaged in one or more researches or creative undertakings. We do not of course aspire to the same levels they have reached in more affluent universities. But I want it known that at our present stage of development, research cannot be considered a luxury, and that it is an important element in our search for those conditions that best suit our character and our desires.

Your university shall have a new mission from today. And in carrying out this contemporary mission, your university must be prepared to allot increasingly greater shares of its facilities and energies to the task of uncovering

new sources of strength for our struggling masses and our leaders. From now on you are mostly done with the tedious job of dispensing knowledge that was mined in other countries. Instead, I will charge you with the imaginative task of advancing the boundaries of knowledge, in order to effectively contribute to the solution of the ever-widening variety of human, technological, and scientific problems of this nation and this region. Your university must be prepared, and equipped, to assume this mission thrust upon you by a new vision inspired by the shift of events in our country. Your obligation as scientist and scholar, administrator or artist, is no longer only to yourselves or to your profession, but also in great measure to your society and ultimately to the whole of humanity. This you will accomplish by yourselves. By so doing you are giving substance to a program began by Dr. Romulo, and designed to give the Filipino the strength to raise his head, tall and erect, among the concourse of peoples throughout the world. I charge you then with the mission to translate nationalism into your studies, your thoughts, and your creations.

I trust, therefore, that you shall not allow the past to stand still. It is gratifying to hear that you are determined to move ahead with change. As I visit with you today, as I move among your stately buildings and attractive grounds, made more distinguished by the record of our 34,000 alumni all over our country, I note with a great deal of satisfaction the spirit, the signs of change that immediately strike the eye. I am now confident that they are symbolic of more fundamental changes in the life of this great university, and, by extension, in the life of the people whose mind, whose conscience, you represent.

As I listened this morning to the report on the present state of the state university and the plans for it, the thought occurred to me that this is a different university from the one I knew in my student days as a freshman at the old campus in Manila. There is a new surge, a new purposiveness, evident in the planning and the vision that illumines that planning. It is a sense of dedication that I would wish everyone to have: the faculty, the students, the employees, and the administration of this university; it is the same dedication with which I charge the rest of this nation in supporting the programs and policies of the administration. Dr. Romulo has grasped the core of my own programs in his blueprint for this institution.

I want you to know that he will have my full support in the furtherance of his enlightened plans for the State University. This I have decided not only because he was my personal choice for the university presidency, not only because he has my trust as a friend and fellow alumnus, but also because in furthering any progressive plans for this university of our people I shall also be taking a giant step forward in the fulfillment of my own goals, which are those of the nation.

There is one objective which I trust Dr. Romulo will be able to do, which is to prevent the U.P. from nurturing cells of communism. I am not saying that the U.P. has heretofore been infiltrated with communists. It is not necessary to go into that. It should be sufficient if Dr. Romulo prevents the infiltration of the U.P. by Red ideologists.

It is not my purpose to take up the merits or lack of merits of communism. It is enough to say that it is the traditional and bipartisan policy of the Republic since its founding sixteen years ago to be opposed to communism. It is therefore the national policy to keep our country secure from communism.

In the sustenance of this national policy, our country has been more fortunate than some Asian countries, including Korea, Laos, Vietnam, and India, which have been threatened and troubled by communism. You will note that the Asian countries upset by communism are located in the mainland of Asia while the Philippines is segregated from the Asian mainland by sea. This is a vital source of security advantage for the Philippines—the fact that it is separated from the Asian mainland. It is the same advantage enjoyed by Japan, Taiwan, the Borneo territories and Indonesia, all of which countries are comparatively safer from communism than the countries located in the Asian mainland.

It is out of consideration for the value of this security advantage of the Philippines of being segregated from the Asian mainland that our country has pursued the national policy of keeping communists out of our territory, except only those who come under authority of the United Nations of which we are a co-founder and ardent supporter. To adopt a contrary course which would enable communists to have an opportunity for influx into our country, would be tantamount to throwing away our security advantage of geographic segregation which God in His Infinite

Wisdom has given to us. From the national policy of keeping the communists out of the country in support of a strategic importance of the national security springs the corollary policy of preventing the infiltration of communists in vital institutions like government circles, information media, labor unions, schools and universities.

In view of the integrated nature of the defense of freedom, the security advantage of the island nations of Japan, Taiwan, the Philippines, the Borneo territories, and Indonesia should be a matter of common concern to these countries. This means that in the same manner that each of these countries endeavors to keep off communist domination from itself, it is to be expected that each of these countries shall view with concern and opposition the domination or potentiality of domination by the communists of the other aforesaid island countries, whether by aggression, by infiltration, or by any kind of arrangement.

I am nostalgic for bygone days when the U.P., more specifically its students, were a vibrant participant in the national effort, including the shaping of national policies. Those were the days when President Quezon used to go to the U.P. campus to sound out the reaction of the U.P. population on burning issues and U.P. student leaders went out to express themselves before forums in Manila and in the provinces to have the voice of the Filipino youth felt in the national endeavor. Those were the days of Wenceslao Vinzons and Teodoro Evangelista.

The U.P. students may do well to perpetuate the tradition of their predecessors. There are many matters on which the U.P. students can concern themselves as a vital force in the national life. The problems of corruption, economic growth, social progress, political reform and others require the vigor and idealism of selflessness youth leadership from the state university that has reared the country's top leaders. As the nation grows, its quality grows. As the nation's quality grows, the quality of its leadership must grow. I cannot therefore accept that you U.P. students today are inferior to your predecessors. In keeping with the principle of growth, you should even be better. The nation awaits you and Godspeed to you.

Source: Presidential Museum and Library

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal on the Occasion of the Laying of the Cornerstone of the Multi-storey Tenement Housing Project

**Address
of
His Excellency Diosdado Macapagal
President of the Philippines
On the Occasion of the Laying of the Cornerstone of the Multi-storey Tenement Housing Project**

[Delivered at Vitas, Tondo, December 21, 1962]

HOME FOR THE HOMELESS

WE must provide the elemental needs of our people, which are food, shelter and clothing. We have attended to food, by successfully solving the rice problem and launching a massive project for more fish production. This ceremony marks the launching of the administration's program which now proceeds to provide our people with shelter by enabling our poorest citizens to live in sanitary dwellings.

Inaction and apathy in the past left unsolved the grave housing problems of the poor and the homeless of our country. This grave neglect is underscored today by the rank squatter and slum problems of the city of Manila. No less than 10 per cent of the city's million, or 100 thousand, are poorly housed, 33 thousand of whom live in barong-barongs. Tondo alone, in a 1960 survey, has no less than 10 thousand of its 351 thousand population dwelling in this ghastly condition.

There are fast rising in Manila, Makati and other places magnificent houses which compare with the best and finest homes in the world. These dream homes do not bespeak true progress but only accentuate social injustice in our land unless and until we extricate our less fortunate countrymen from the slums and shanties where they exist like livestock and enable them to stay in hygienic houses where they can live like the human beings that they are.

Dedicated to a better life for the common man, the present administration can no longer tolerate such utter negligence committed against the poor and unfortunate among us. Nor can it ignore the danger that brews daily in the blighted homes of squatters and slum dwellers. To remain apathetic is to encourage the creation of a social ferment which, bottled into violence, can blow up bomblike and rock the very foundations of the free institutions of this Republic.

Here, we lay the cornerstone of a multi-storey tenement housing project. In this building, which will be completed soon, 385 families of the impoverished and underprivileged will be given the opportunity to be housed in decent and respectable quarters, within which they can build respectable homes. This is only the first of multi-storey tenements that this administration will erect. Three more tenement buildings are programmed for immediate construction.

The simple rite we performed this afternoon sets off the work toward the fulfillment of an important phase of the pledge I have given our people in seeking and winning their mandate. To them I vowed to find ways and means to provide more food, better clothes and more comfortable dwelling. I mean to fulfill that pledge.

In the context of the ferment in Asia today, sincere concern over the welfare of the poor and impoverished acquires greater significance. For it is only the well-fed and prosperous that can appreciate the meaning of freedom and rally to the defense of free institutions. The poor and suffering are deprived of moral conscience and that impedes them from cherishing the price and meaning of freedom. Poverty has guts but is unable to appreciate ideology. Its only ideology, if at all, is the satisfaction of its hunger.

In our time, it is the legions of the impoverished, anxious for better food, clothing and shelter, at whatever cost, that caused and continue to cause the loss of free regimes and institutions in Asia and in Europe and the Middle East to communism.

The poor is also a responsibility of citizens who are better situated. This principle should be followed even in an enterprise as simple as a tenement housing project. This, whose cornerstone we laid today, is a housing venture for the lowest-income groups. Occupancy will be on a minimum rental basis.

Tenancy is not meant for always. Progress and prosperity in due time will be visited upon the tenants of low-cost housing projects. By creating better and better opportunities for employment and income under our socio-economic program, it is expected that tenants of these quarters will finally earn more than they would have been earning when they shall have occupied these quarters. When that time ripens, it will be the duty of those whose livelihood has prospered to give way to those less blessed. Thus tenancy in these housing projects will continue to serve the needs of the poor.

It has come to my knowledge that in a certain low-cost housing project of the government, certain tenants who have amassed wealth one way or another continue to occupy their respective quarters. This practice does not serve the purpose for which a housing project for low-income groups is built. It does not express civic consciousness. Nor does it serve the needs of the less fortunate among us. Henceforth, it shall not be tolerated. This administration shall not tolerate this in the tenement housing projects it will construct. Nor will this administration condone the exploitation of the needs of the poor to promote partisan and political ends.

We face today serious problems that result from poverty. Crimes, disease, and ignorance flourish wherever poverty is acute. The citizenry serve their own ends by showing deeper and deeper concern over the well-being of the less privileged.

To the well-situated and affluent among the citizenry, therefore, I appeal for more civic consciousness, deeper sympathy for the plight of the underprivileged, and honesty and purpose in every endeavor.

On a national scale, this administration is putting teeth to a socio-economic program which seeks to improve living standards for all our people. The housing project is only an aspect of that program. The program is of such magnitude that it cannot succeed without the full support of the citizenry. A mass of poorly housed citizens, not to say poorly clad and fed, can hardly be expected to play a role in the implementation of the program, except for what labor employed from their ranks can accomplish.

We must succeed in substantially reducing, if not eliminating entirely, poverty, ignorance, and disease among our people. We have to succeed because we wish to secure peace and order for greater national undertakings, broaden the backbone of democracy in our country, and insure for posterity a sound regime of liberty, justice and economic well being for all.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Radio-TV Address of President Macapagal on the program, “President Macapagal Speaks to the Masses,”

**Radio-TV Address
of
His Excellency Diosdado Macapagal
President of the Philippines
On the program, “The President Speaks to the Masses”**

[Delivered on December 31, 1962]

THE FIRST YEAR

ONE year has passed since the change of administration as ordained by the people. It has been an eventful year. The performance of the Administration in its first year must be assessed in the light of the conditions at the time it assumed office, that it was a year of transition, and that the Administration’s efforts were continuously hampered by prognostications of doom on the part of oppositionist critics who instinctively and psychologically foresaw things in the light of their own experience and standards.

When the Administration took over, the government and the country were in an appalling condition.

In the government, graft and corruption were rampant. In some offices, public service was openly allotted to the highest bribe-bidder. Financially, the government was bankrupt. In the first six months of the fiscal year 1961–62, there was a deficit of P200 million. The P13 million calamity fund had been spent. Of the P120 thousand outlay for Malacañang expenses, only P36 was left. In the Central Bank, the dollar reserves had sunk to as low as \$103 million while the Central Bank had incurred obligations of \$340 million at the preferred rates of from P2.00 to P3.20.

In the country, there was cynicism among the people. They no longer believed in the honesty of public officials. They were buying in 1961 their rice at as high as P2.00 or even P3.00 a ganta. From 1957, the rate of economic growth had steadily declined from over six per cent to 4.8 per cent in 1960. There was no hope in sight for progress that could cope with the needs of the population which was increasing at the rate of 3.2 per cent annually.

The situation called for bold, well-nigh superhuman, effort. It was a plight of filth and shambles reminiscent of the legendary stinking Aegean stables which confronted Hercules.

Hoping against hope, the people had given a mandate for a change. That mandate had to be carried out.

The people had to be served and a hope in their future restored even if the national situation was aggravated by the predicament of Malacañang being under the Liberal Party while Congress was under the Nacionalistas.

Aware of this complex and formidable problem and resolved to find the solution for the sake of the people, we rolled up our sleeves and prepared for hard work and sacrifice immediately after we took our oath of office at high noon on Rizal Day of 1961.

After one year of devoted effort and relentless pursuit of lofty objectives and devotion to the people’s welfare, we pause briefly to give thanks to God, to the people whose faith and support have been so magnificently demonstrated and to all those who contributed their share in these endeavors, thus enabling our Administration to accomplish the following:

In the moral field:

1. The people have regained their confidence in the government and have acquired a feeling of hope for better times.
2. Graft and corruption have been contained.

3. The moral drive has been extended to prominent and hitherto untouchable figures in business, alien circles, politics and labor.

In the socio-economic field:

4. Exchange controls have been successfully removed.

5. A five-year socio-economic development program has been formulated and officially adopted and its implementation has been started.

6. The Philippines has become an attractive field for investments.

7. Job opportunities have increased.

8. The rice problem has been solved and an effective solution to the fish problem has been launched.

9. The prices of other prime commodities like milk, canned food and drugs have been kept within easy reach of the people.

10. The dollar reserves have increased.

11. The balance of payments has become favorable.

12. The income of the people, particularly the exporters, farmers and producers, has increased.

13. The Philippines has become a better tourist attraction.

14. There has been generated more interest in economic problems.

15. Programs involving housing for the poorest and clothing for the masses have been launched.

In the field of foreign affairs:

16. The prestige of the Republic abroad has been raised.

17. The Philippine claim to North Borneo has been officially filed and is being pressed.

18. The \$73 million additional war damage bill has been approved.

19. The Philippine sugar quota to the U.S. has been increased.

20. Other governments, particularly the U.S., China and Japan, have become more cooperative with Philippine needs and problems.

In the administrative field:

21. Respect for law has been enhanced.

22. More coordination among government offices has been effected.

23. The Bureau of Internal Revenue has raised its efficiency and prestige and increased collection of taxes.

24. The House of Representatives, despite initial partisan roadblocks, has given full support to the administration.

Contemplating all these we have a justifiable feeling that in the aforesaid performance, we have been favored by Divine Providence to exceed the five goals upon which we set our sights in our inaugural address:

“First, the solution to the problem of corruption.

“Second, the attainment of self-sufficiency in the staple food of our people, namely, rice and corn.

“Third, the creation of conditions that will provide more income to our people—income for those who have none; more income for those whose earnings are inadequate for their elemental needs.

“Fourth, the launching of practices that will strengthen the moral fiber of our nation and reintroduce those values that would invigorate our democracy, and

“Fifth, the launching of a bold but well-formulated socio-economic development program that shall place the country on the road to prosperity for all our people.”

I shall comment briefly on our performance relative to these five goals. On the first of these five goals, we submit that graft and corruption, in its big scale and worsening extension under the past administration, has been stopped. The *tong* system in which businessmen made regular payments to high officials or their intermediaries has ceased. While virtually terminated at the higher echelon, graft continues to recede and likewise has been minimized in the lower levels of the government. It shall be our sustained endeavor in the coming years to press the administration's drive against venalities to the lowest levels so as to free the jeepney driver from being fleeced by the policemen or the citizen from being annoyed for a tip by a government clerk for the simplest public service.

I appeal to all officials and employees of the Government, both national and local, from the humblest to the highest, to support the drive for moral regeneration. Let us give a chance to our people to have a good government and to enjoy thereby a better life by serving them honestly, unselfishly and well. Let us bequeath to our children honor and a good name they can be proud of. Let it be enough that we have a position which gives us dignity and a means of modest livelihood. Let us remember that life on earth has to end, the ill-gotten sums that may be acquired through abuse of our public trust will avail us naught at the hour of our death and instead, we shall on that account carry to the grave a sense of guilt that we have not led honest lives. If we need additional income, let us seek it through legitimate investments and honest ways but not through misuse of our position or official influence. By doing this, we shall help to develop a prosperous country and a noble and happy race.

On the second goal, our task of solving the rice and corn problem was miraculously accomplished in the first year of our administration. This is a problem that had plagued the country since pre-war years. The chronic character and gravity of the problem was exemplified by the conditions in 1961. To solve this problem, the Garcia administration imported rice in 1961 at a loss of P60 million. Despite this, there was scarcity in the lean months of August to October when people formed queues in Manila, as during the Japanese time, to buy one ganta of rice, the price of which had soared as high as P3.00 a ganta.

Under the new administration, we gave priority to the perennial rice and corn problem because of its paramount importance especially to the masses of our people. We abolished the inept NARIC and in its place established the Rice and Corn Administration under former Congressman Jose Y. Feliciano, a man known for his integrity, leadership and expert knowledge of the problems of rice both in theory and application, being himself a successful rice grower. Indicating the conscientious manner by which the Administration selects its men to handle vital tasks, I had to persuade Mr. Feliciano to abandon his blissful life of retirement and his prosperous rice and sugar cane plantations in order to help us solve the difficult rice problem. Realizing finally the challenge of service to our people, he accepted the responsibility and has put his soul into the task. As a result, by his skillful and devoted handling of the RCA, despite the fact that the Administration did not import rice, there was an abundant supply throughout the lean months of August–October, retailing to the consumers at prices from P.85 to P.95 a ganta. At the same time, the RCA has assured a good margin of profit to rice growers by buying their produce at P11.50 a cavan

of 45 kilos. In contrast with the loss of P60 million in its futile handling of the rice problem in 1961 by the past administration, Mr. Feliciano and the RCA solved the problem at a subsidy loss of P1.5 million.

The success of the Administration in tackling effectively the rice and corn problem in its first year augurs well for the attainment, at last, of self-sufficiency in these cereals to meet the growing needs of our population. Secretary Benjamin Gozon of Agriculture and Natural Resources declared on December 1, 1962 that there is an expected surplus of palay next year amounting to 8.2 million sacks of 44 kilos.

Many people, of course, have helped the Administration and the RCA in solving the rice problem. Among these are the devoted RCA personnel, the managements of the proper government credit institutions, and the Department of National Defense whose transport facilities were placed at the disposal of the RCA for efficient distribution of the RCA rice to trading centers. Acknowledgment is especially merited by some Nacionalista leaders in Congress, notably Senate President Eulogio Rodriguez and former Speaker Daniel Romualdez, who gave full backing to the Administration's efforts to lick the stubborn rice problem.

Having happily solved the rice problem in our first year, we proceeded to launch a massive project to help the fishing industry, in order to provide both the rice and fish which constitute the meal of the common people. We declared Pier 14 as a fishermen's port, the first of twelve such ports to be established throughout the country. We likewise put into motion a program to provide housing to the poorest by laying the cornerstone of the first multi-storey tenement in Tondo, Manila. Finally, we launched a clothes-for-the masses program, which will bring within the reach of the poorest, initially through the Namarco, good clothing in various shades at low cost. All these projects, which we shall prosecute vigorously under our Administration, are in implementation of our pledge in our inaugural address that the first things we must provide are "the elemental needs of every people—food, clothing and shelter."

Regarding our third goal, we have frontally attacked the problem of unemployment and underemployment, on a long-range program, through the five-year integrated socioeconomic development program, and, on an immediate basis, through the Emergency Employment Administration. In three months, the EEA has given jobs to 100,000 unemployed. The Central Bank report for 1962 shows that 392 large firms have increased hirings by 54 per cent. A total of P93 million was added to the money stream to increase the salaries and wages of workers itemized as follows: P28.5 million for increase in salaries of government employees, P34 million for increase in base pay of enlisted men in the armed forces and P30 million for salaries and wages under the EEA. This does not include the increase of wages in private enterprise which has kept pace with the government's move.

As to our fourth goal we have endeavored to enhance with heartening success the traits of integrity and honesty, respect for law, equality before the law, simple living, punctuality, courtesy, devotion to the people in public trust, frugality, discouragement of expensive gifts, discontinuing big official retinues, patronage of native apparel, cleanliness and the like. Among specific measures that we took, in this connection, may be mentioned the following:

1. The President and his family set the tone and personal example in integrity and honesty.
2. We abolished the control of foreign exchange, which was one of the main sources of corruption.
3. We took action against big and hitherto untouchable big men who had typified venalities in the corruption of officials, alien circles, politics, tax evasion, profiteering, and labor.
4. The President and his cabinet published their assets and liabilities, altho this is not required by law.
5. In the selection of cabinet members and other key officials, I gave primary consideration to integrity and honesty.
6. I kept close watch over the activities of my appointees and all key officials and took immediate remedial steps whenever necessary.

7. Mrs. Macapagal and I honored at breakfast humble citizens who had displayed acts of honesty.

We have achieved our fifth goal, the launching of a bold but well-formulated socio-economic development program that shall place the country on the road to prosperity for all our people.

Our achievement on this fifth goal is two-fold, first, the successful execution of decontrol which would shift the pattern of the economy from the twelve-year-old system of controls to a new system of free private enterprise; and second, the official adoption of a five-year socio-economic development program which experts, local and foreign, have pronounced as sound and which, according to economic indicators, has been successfully launched and is being effectively implemented.

It was easy for anyone to advocate decontrol. It was difficult to carry it out. Yet we did the difficult on January 21, 1962, twenty-one days after we took over the administration.

We followed through our decontrol operation with a five-year integrated socio-economic development program which I officially submitted to Congress on January 22, 1962, to complete the new economic setting of free enterprise. The program was subsequently adopted officially by the House of Representatives and by the National Economic Council, in which the Senate is represented. The program has, therefore, become the official socioeconomic program of the Government.

Our decontrol operation has been described by experts from the World Bank and the International Monetary Fund as “extraordinarily” successful. The following facts and figures contained in the Central Bank report for 1962 support this conclusion:

1. Gross national product for the first half of 1962 increased by P357 million, representing an attainment of the 6 per cent rate of economic growth sought in our socio-economic program.
2. Whereas at the time of decontrol, the black market price of the dollar had reached P4.50, from May to date the price of the dollar has been stable from P3.87 to P3.92. Forward exchange transactions expanded from \$0.26 million in February to \$50.41 in November.
3. Whereas there was an unfavorable balance of payments of \$77 million in 1961, we have achieved a surplus in the balance of payments in 1962 amounting to \$29 million.
4. As against dollar reserves of \$103 million in December of 1961 with obligations at preferred rates of \$340 million, the dollar reserves rose to \$145 million at the end of December after paying \$227 million of the 1961 preferred obligations.
5. While there was a budgetary deficit of P148 million in the first eleven months of 1961, there was a budgetary surplus of P76 million during the first eleven months of 1962, after paying P40 million of the past administration's indebtedness to the Central Bank.
6. In eleven months of 1962, revenues increased by P269 million over those of 1961.
7. Agricultural production increased by 5.5 per cent in palay, 7.1 per cent in other food crops and 10 per cent in export crops; industrial production increased by 7.3 per cent.
8. Prices of mass consumer items had an average upward change of seven per cent in 1962 in Manila and outside Manila, by 4.6 per cent.

With reference to prices, we must state anew in the face of persistent deception by critics that during the presidential campaign, our pledge was to stop the rise of prices, and not to lower prices, as it is being repeatedly misrepresented now. The public will recall all our posters throughout the country, as well as our radio slogans, as follows: “Stop

corruption and rising prices!” and “Stop corruption! Stop rising prices!” Despite the fact that our pledge was to stop rising prices, we succeeded in one year to lower the price of rice and corn and the prices of prime commodities like milk, canned fish, canned meat, and life-saving drugs and medicines within easy reach of the masses. We have substantially succeeded in stopping the inordinate rise of prices, as evidenced by the fact that the rise of prices for mass consumption items after decontrol in 1962 was restrained to 7% in Manila and to only 4.6 per cent outside Manila. In other countries which undertook a similar decontrol, the prices increased 102 per cent in Argentina, 12 per cent in Mexico, 30 per cent in Indonesia, 15 per cent in Thailand and 9 per cent in Greece. In fact, a recent Associated Press survey of world prices showed that the Philippines has the next lowest prices in the world. In this survey, it was found that the highest prices are in France, Italy and the US while the lowest prices are in The Netherlands, the Philippines and Egypt. Considering that our socio-economic program has started to increase the income of the people, as the people’s income increases, with the prices being stabilized, the prices altho arithmetically higher will be in real terms lower.

The soundness of our socio-economic program and its implementation is attested to by knowledgeable experts, both local and foreign. The eight-man U.S. Trade Mission, ending its month-long series of conferences with Philippine businessmen recently, “expressed optimism over the prospects of development in the Philippines.” (*Evening News*, Nov. 8, 1962.) From the U.S., Bernardino Ronquillo reported that “bankers in this thriving city of the west coast (San Francisco) are enthusiastic over the monetary and administrative reforms effected by the administration of President Macapagal and are certain there will be an increasing flow of American investment into the Philippines in the next several months with completion of the decontrol program.” (*Manila Daily Bulletin*, Dec. 17, 1962)

The *Associated Press* reported that “the US Commerce Department, finding that ‘free enterprise is now moving dramatically forward in the Philippines,’ has urged American exporters and manufacturers to ‘invest in the Philippines, or cooperate with American and Filipino investors in order to share in the business to be developed in putting the resources of the Philippines to work under the 5-year socio-economic plan.’ ” (*Manila Times*, Dec.17, 1962)

US Assistant Secretary of State Averell Harriman said in an exclusive interview that “President Macapagal is giving new leadership. He has eliminated some of the abuses and malpractices which had existed in the Philippines before and we are very hopeful that under his administration there is no reason why the Philippines cannot become one of the prosperous countries of Asia.” (*Manila Times*, December 28, 1962)

That these favorable estimates of the Philippine economy under the present Administration have become translated into action is shown by the report of Sec. Rufino Hechanova of Commerce and Industry that a total of P1.029 billion of new capital is now being invested in the country in the following ventures:

Firm Name	Products
1. American Standard Sanitaryware	Vitreous China Bathroom Fixtures
2. Marinduque Plant copper smelting	Copper Acids
3. Philippine Iron Benefication	
4. Acoje Mining	Soy Sauce, Glass Products
5. Elizalde Iron & Steel Corporation	Cold-Rolled Steel
6. Bislig Industries Inc.	Newsprint Kraft paper, liner board
7. ESSO Standard Fertilizer & Chemical Co.	Fertilizer
8. Philippine Integrated Steel Corporation	Billets, Sheets, Merchant Bars, etc.
9. Milk Industries Inc.	Whole Milk, Dairy Products
10. Marcelo Wire Rod Mill	Wire Rod
11. Rizal Cement (Expansion)	Cement

12. Republic Cement (Expansion)	Cement
13. Aluminum Reduction Plant	Aluminum Products
Total	

The fact that there was more buying this Christmas than last year, contrary to dire predictions, is significant. It was an indication that the people had started to have more income and have acquired a feeling of hope for the future, which induced them to spend. One observer noted that “Christmas has come to a feverish tempo.” (*Manila Chronicle*, Dec. 13, 1962.)

Another observed that “surveys showed that despite the much-ballyhooed tight money situation prevailing in the country, there were more shoppers this year than last.” (Gene Macatuno, *Manila Daily Bulletin*, Dec. 13, 1962). Still another observed: “A quick glance at downtown stores will show that this is going to be a festive and stylish Christmas. Any shopkeeper in town will say that business isn’t what he has expected.” (Jose Umali, *Philippines Herald*, Dec. 23, 1962.) An observer summed up the situation after Christmas on Dec. 27, 1962 as follows:

“A crazy-quilt pattern of holiday spending still has Manila businessmen bug-eyed in examining their gross receipts and economic prophets of doom hastily reviewing their dire pronouncements of sackcloth and vinegar . . . Next year’s Christmas should be better still,” he said. (Mario P. Chanco, *Manila Daily Bulletin*, Dec. 27, 1962.)

It was not only the phenomenon of a surprisingly prosperous Christmas which indicated the improvement of the economy. Indeed, only the politicians in the opposition party deny the improvement in the economic situation. Impartial and competent observers attest to the improvement of the economy, as follows:

“O dire were the warnings of the prophets that panic after panic should have ensued; but either the people were deaf or not as unhappy as they were told they were . . . The prices, yes the prices, oh the prices, alas the prices. We were all being engulfed; we were all drowning in misery; we were all going to go hungry. Well, for the first time in a long time, rice sells at 85 centavos a ganta, and the happy word from the provinces is that, at last, the farmers have come up with surplus harvests of rice and corn.” Quijano de Manila, *Philippines Free Press*, Dec. 29, 1962.)

“Decontrol Marks New Era of Hope—Immediately after the announcement of decontrol, there were fears from certain quarters that the peso value, freed from its shackles, would go down to unprecedented levels. This, fortunately, did not happen.” (*The Manila Times*, Dec. 27, 1962.)

“Towards the end of the year, the country has the consolation of knowing that its economic balance sheet suffered no substantial ill-effects as earlier feared.” (*Mirror Magazine*, Dec. 29, 1962.)

“H. R. Reyes, President of the Chamber of Commerce of the Philippines, said: ‘I believe 1963 will definitely be a better business and prosperous year than 1962 because businessmen are facing the future with optimism and enthusiasm amidst a healthy atmosphere for business provided by the present administration.’ “

“Sharing Reyes’ optimism for a favorable business outlook in the years ahead, Hilarion Henares, Jr., president of the Philippine Chamber of Industries said: If 1961 is the night before, 1962 the morning after, 1963 may turn out to be the bright tomorrow.” (*Philippines Herald*, Dec. 28, 1962.)

“1962 is a year of great change. President Macapagal, in office but a few days, abolished the system of controls which had governed the economy for a decade and put the country back to free enterprise. A number of key businessmen agree. Their forecast for 1963: ‘bright.’” (*The Philippines Herald Magazine*, Dec. 29, 1962.)

“The Philippine economy has fared relatively well during this year . . . I believe we can be optimistic about the prospects in the New Year.” (Miguel Cuaderno, *Manila Daily Bulletin*, Dec. 31, 1962.)

The foregoing is a summary of the facts embodying the performance of the Administration in its first year. Our critics—and these are unavoidable in a democracy—have assailed us and will continue to do so. Their criticisms, no matter how cleverly worded, cannot go against the facts. As the editorial of a morning paper today said “there is an air of confidence and optimism that cannot be denied.” (*Manila Daily Bulletin* editorial, Dec. 31 1962.)

On our part, we place the judgment in the hands of our people, as to whether our Administration is an improvement on the past Administration or not. Whatever accomplishments we achieved we owe mostly to the support and faith of our people.

To our cabinet members and other key colleagues in the Administration, we express our gratitude for their integrity, hard work and devotion to duty, which they generally manifested in accordance with our expectations. We also wish to alert them for even harder work than they put forth last year for the greater challenges and bigger tasks that face us in the coming year.

It remains to express our resolve in the coming New Year, indeed, in all the years of our Administration. It is this:

Having attained the highest aspiration of life, particularly for one of our humble origin, we shall hereafter have no more interest but the interest of our people whom we love to the core of our heart and soul. We shall promote the political fortune of colleagues only as they deserve it for the welfare of the people. We shall resist any politician who goes out of bounds to make pretenses of fidelity to the people’s welfare which are not justified by his past actuations or by his authentic merits. Indeed, we shall contend with anyone who acts against the welfare of the people. We shall resist pressures from any source that go against the people’s interest for we shall not sacrifice a lifetime of hardships and a career of devotion for a better life for the people in favor of the selfish interest of anyone or of anything. On the other hand, we shall boost those who are disposed to consecrate their lives and careers selflessly for the welfare of our country. In one word, our sole interest shall be that of our country and this shall be the unshakeable criterion for our actions and decisions.

A magnificent moment has arrived in our history as a people. The stage is set for a decisive leap to a more rapid rate of economic growth that will at last, after generations, set loose the mass of our people from the chains of misery. This great thrust forward to epoch-making progress cannot be done by only one man. It is the joint task of all patriotic Filipinos, irrespective of party, religion or social orientation. To all, therefore, we cast the challenge to participate in a collective and historic act of greatness—a push by the entire nation for the success of the integrated five-year socio-economic blueprint which, after centuries of bondage to poverty, shall open the gates of a richer life to all our countrymen.

Source: Presidential Museum and Library

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal before the Manila Rotary Club

Address of His Excellency Diosdado Macapagal President of the Philippines Before the Manila Rotary Club

[Released on January 3, 1963]

On the Threshold to Progress

WE HAVE reached the end of the first year of our Administration. This occasion is an auspicious time for looking back and looking forward: for reviewing the substantial achievements made by our country during the past year, and for previewing the goals and the tasks we have set for ourselves during the years to come.

We cannot help but look back with a feeling of pleasant pride and satisfaction over the accomplishments which our people have made in the past year, and we can happily say that our Administration has faithfully played its part in attaining those achievements. To our people go our thanks for their magnificent cooperation and display of discipline during a time when our country went through a trying period of political and economic transition. Our Administration, for its part, has been true to the pledges it made to the country when we assumed the noble mandate which the electorate placed on our shoulders at the beginning of the year. We faced considerable difficulties at the start, but we can now say that as a country, we have performed beyond expectations.

Following a time-hallowed tradition of counting our blessings at the start of the new year, I would like to review with you the benefits which the past year has brought us, and how your government has fared in carrying out the mission which it set out to accomplish. On this occasion, I hereby submit to our people the main accomplishments of our Administration summarized in four categories, as follows:

First, we gave the government back its self-respect;

Second, we gave the businessman back his freedom;

Third, we gave the common man the substantial beginnings of a better life; and

Fourth, we gave the country a stable base and a solid framework for its future growth.

Let me deal briefly with each of these.

At the start of our tenure of office, we gave the people a firm and solemn pledge to retrieve their government from the morass of graft and corruption into which it had desperately sunk in the past. We brooked no delay and spared no effort in pursuing a vigorous and tireless campaign for moral regeneration. This took the form of a drive against corruption in the public service and a campaign to bring before the bar of justice those who unduly used their positions and their power to build up ill-gotten fortunes, and who thereby infested the public service and, indeed, our whole society, with the virus of corruption. We began our term of office on the premise that our country could earnestly and effectively pursue a program of economic growth only after it had established the necessary moral climate for such a program. This is why we have insisted, and will continue to insist, on nothing but the highest standards of integrity and efficiency for public officials in order to make the government not a vast instrument for the corrupt and the powerful, but a true and faithful servant of the people.

I trust that our campaign for moral regeneration has made its message heard. We went through considerable pains and stresses to underscore our determination to demonstrate that dishonesty, however widespread and acceptable it

was in the past, can no longer be a way of life. As a result, the government now stands in the eyes of the people as their sincere and earnest partner in which they can repose their full confidence.

We realized from the beginning that the problem of graft and corruption was not an isolated problem, but was tied up with the unwholesome climate of controls.

We also realized that the system of controls was effectively distorting the pattern of investments in the country and stood as a barrier to the implementation of a rational and systematic program of economic growth. Hence, we lost no time in dismantling exchange controls and allowing the rates to be determined by the forces of the free market. With one fundamental stroke, we established one of the prime conditions for using the resources of the country for the greatest good of the people rather than for ventures made artificially profitable by the prevailing system. By that very stroke, we also gave the businessman back his freedom.

This is our answer to those who would superficially and unjustly impute to us dictatorial tendencies. If we had these tendencies, we would not have done away with controls. Exchange control was a source of vast economic power for the President, which also meant tremendous political power.

But because we knew that it was a source of uncontrollable corruption and that it was impeding the progress of the country, we voluntarily let go this tremendous power out of our hands because we are for more freedom and not for dictatorship and in our loyalty to the people, we will do what in conscience we believe to be good for the people even if it is not personally good for oneself.

Indeed, by the elimination of controls, we have restored and upheld the freedom which is cherished by our people. Already enjoying political rights and liberties as extensive as in any free nation in the world, the Filipino has reacquired his economic rights and liberties which were withheld from him when the control of foreign exchange and ancillary restrictions were instituted. Now the Filipino citizen is so free that under the protection of the laws for the general welfare and for general enjoyment as a right, he can shape his future on his own genius and effort, if need be, without seeking any favor from the government or from any politician and official in the government. A Filipino possessed of merit may now pursue the livelihood of his choice and happiness, if he chooses, without the help of the government and invoking only his rights as a citizen. We have, therefore, upheld a system of freedom which enables the citizen, if he is in that mood, to tell the government or any official to "go and jump into the Pasig River." I submit that when a citizen lives under conditions where he can tell his government to "go and jump into the Pasig River," that citizen is in the best sense free and he has reason to exult over his freedom and to recognize the good will of those who have thus restored to him his boon of freedom.

We can think of this freedom as it concerns the businessman in two senses. The first is freedom from controls, and the second is freedom from instability. Both are necessary for the progress of private business.

The first freedom released the businessman from the heavy burden of having to negotiate with the government for dollar licenses, and removes from the government the corrupting power of rationing foreign exchange to various applicants. Our businessmen now bid for and offer their dollars in a virtually free market, and the forces of competition have been returned to an area where its absence has caused considerable distortions and graft.

While in the past the businessman could obtain his foreign exchange only if he was shrewd enough to obtain a license, he can now purchase his foreign exchange if he is willing to pay the market price. While the dollar-earner in the past had to surrender his foreign exchange to the government at a price lower than the market would have paid him, he is now virtually free to receive for his dollars as much as the market is willing to pay him. The days of choking controls and anomalous licensing are past; the forces of a free exchange market have returned. I submit that this is one of the greatest blessings which the past year has brought our people.

The second freedom—the freedom from instability—allows the businessman to draw up long-range investment plans under conditions which are both stable and reflective of true, rather than artificially induced, market conditions. The last months of control had been marked by a highly speculative atmosphere which was hostile to the formulation of long-range plans on the part of private enterprise. The businessman thought it more advisable to build

up stocks of goods or of dollars, to postpone his plans, and to wait and see, rather than to expand his ventures or to go into new ones. The causes of all this speculation in the past were many and varied, but one of the most important was the businessman's uncertainty with regard to the exchange rates and the foreign exchange policies of the government. Our program of decontrol, as complemented by appropriate monetary and fiscal measures, has served in great measure to reduce past instability and to give the businessman a new confidence in his future prospects.

Our stabilization program has also made the country a more attractive place than ever for foreign investments. All this confidence has been generated both by the courageous dismantlement of controls and the formulation of a long-term program for our economic and social development.

Our third major achievement during the past year was to give the common man the substantial beginnings towards a better life. Our Administration has made it a matter of grave importance to keep itself ever sensitive to the needs and the problems of the common man, and to provide for him the assistance he needs towards providing himself with the prime necessities of daily life. Our rice and corn program has insured for him a sufficient supply of his daily cereals, the prices of which have been stabilized at levels within his reach. Our NAMARCO policies have also assured the continued availability of foodstuffs and other essential commodities without prejudicing local manufacturers. We have embarked on a low-cost housing program for the people, as well as on a scheme to provide low-cost PAG-ASA clothing for the masses. We have provided jobs to the jobless through the Emergency Employment Administration, and thereby given some of our unemployed workers not only a source of income but also a chance to participate in the building of our nation's capital. We have added more pesos in the purses of the government workers in the total sum of P93 million. We have laid the groundwork towards the establishment of the Labor University to provide the benefits of a higher education to those who aspire for it but who erstwhile have not been able to afford it.

These are some of the most significant services which our Administration has done for the common man during the past year. These are only the beginnings. For the most important task that our Administration has set out to accomplish is to implement a Five-Year Integrated Socio-Economic Program, which would provide for the country the crucial impetus for the steady and sustained growth of our production, our incomes, and our levels of employment. In the final analysis, the greatest service that the government can do for our people is to devote itself without reserve to the task of assisting them in building for themselves a country capable of producing and importing those goods and services which make for a happy, healthy, and wholesome life. In short, we aspire for a stable but reasonably rapid rate of economic development.

This, indeed, is the ultimate aim of the Five-Year Socio-Economic Program which we have started to implement. In essence, the Program seeks to marshal all the resources of the government in the most efficient manner to build and to generate the conditions that would encourage the vigorous growth of our national productivity through the efforts of free enterprise. It outlines the investment requirements for attaining its objectives, and it lays down the means for generating sufficient domestic savings and foreign capital to finance the Program.

I shall not repeat here the contents of the Five-Year Program, which has now been widely publicized. In the last analysis, its mission is simple: namely, to accomplish whatever conditions are necessary to assure that the average Filipino will have enough food on his table, clean and potable water from his taps, ample clothing on his back, adequate room and shelter for himself and his family, sufficient life-saving drugs and health facilities for his needs, good roads to travel on, adequate means of communication, adequate schools to send his children to, sufficient facilities for generating electricity and for irrigating our fields, and, in general, enough farms and enough factories to make available to the Filipino household a reasonable income every year and a sufficient supply of those goods and services on which the household chooses to spend its income. In aspiring for these goals, the Five-Year Program does not seek to work miracles; it simply seeks to have the resources of the country utilized in the most efficient manner in order to achieve the maximum which it is within our means to attain.

The first-year phase of the Program has been concerned with stabilization, with readjustments, with the establishment of the machinery to implement the Program in the concrete, and with the start of the actual implementation of the Program. The restoration of economic stability was brought about by decontrol accompanied by monetary and fiscal discipline. The freeing of our foreign exchange market has resulted in an increase in our international reserves from \$103 million at the beginning of the year to the order of \$145 million this year-end, while the rise in prices in the wake of decontrol has been reasonably moderate. The tax collection machinery of the

government has been improved, resulting in increased revenues. The sincerity of the Administration in pursuing its policies has increased the willingness of foreign investors to bring their capital into the Philippines to assist in our developmental efforts, and has also enhanced considerably the credit-worthiness of the Philippines to foreign lenders, especially lenders of long-term capital.

In other words, during the past year, we have increased the sources from which we can tap the capital we need for the pursuit of our Five-Year Program. In the meantime, we have provided for the technical staff of experts to translate the over-all Program into specific projects and day-to-day policies and activities.

The failure of the economic measures of the past was the simple fact that they never got implemented. The mechanics of implementing our Five-Year Program, in contrast, are now in full operation, particularly in the matter of programming the direct capital expenditures of the government and the lending of government funds with a view to obtaining the maximum social benefits for every public peso spent or transferred. The process of implementing the Program is largely a matter of managing the capital program of the government in the most efficient manner, together with the execution of a consistent set of policies to encourage private enterprise in increasing its own investments in the most productive and most desirable fields.

Since the growth of private enterprise cannot proceed with vigor unless the government does its part in providing such basic and necessary services as public works, power, transport facilities, and the like, the success of the Five-Year Program will considerably depend on whether the government succeeds in managing its own resources. To insure that it does, we have adopted a new procedure for budgeting the capital funds of the government, in order to direct the limited funds at its disposal towards the most strategic and most important projects. In fact, we are at the moment operating under a quarterly master budget which allocates our present expenditures in what we judge to be the most efficient manner. The budget is the most crucial instrument of implementing a Program, whether it be for the government or for a business enterprise, and we are now using it to build for our country the necessary highways, telecommunication and transportation facilities, power-generating capacity, educational and health services, and the other essential factors for serving industry and agriculture and for facilitating their expansion. We have also established a Loans and Investment Council to coordinate the programming of the capital funds which the financial institutions of the government lend to the private sector for its projects. In addition, we have established a Cabinet Committee on Foreign Economic Policy to insure the wise management of the resources which foreign investors and lenders are making available to us.

The policies we have adopted in the past year have been designed to encourage an increase in private investments and protect existing industries from foreign competition as they rationalize their operations to adjust to the new conditions brought about by decontrol. To cite just one or two example: We have revised our tariff schedules in order to shield our textile industries. We have also reduced the importation by NAMARCO of commodities which are being produced by local industries. Through the Department of Commerce and Industry, your government has been engaged in the active promotion of private investments and in the provision of assistance to businessmen. We are now in the process of formulating a comprehensive and consistent set of legislative proposals for submission to the next session of Congress to meet the policy requirements of the Five-Year Socio-Economic Program.

In synthesis, we have reached a significant threshold. We have gone far in our campaign for moral regeneration. We have given the businessman back his freedom. We have alleviated to some substantial measure the plight of the common man. We have laid the groundwork for the vigorous growth of our economy through the faithful implementation of our Five-Year Socio-Economic Program. For its part, the private sector during the past year has increased its agricultural, industrial, and mining output, and has adjusted itself to the new requirements of a free economy.

The future will be a period of challenges. The government intends to intensify its own capital programs for meeting the most urgent requirements of the economy in the field of infrastructure and developmental services. It also aims to assist private enterprise in the area of project development and promotions as well as in financing. In this connection, I have created a 3-man Cabinet Committee on Investment Promotion to attend to this endeavor headed by the Secretary of Commerce and Industry. The Private Development Corporation of the Philippines, which was envisioned by the Five-Year Program and for which the World Bank has approved a \$15 million loan, will soon be in operation to provide long-term capital for business ventures.

Private enterprise will also face a future in which investment requirements for new industries will be large. On our businessmen will fall the task of putting up industries for producing intermediate products as well as basic materials to feed our growing industrial structure. Their efforts will demand more capital and greater efficiency than could be tolerated in the past. But they will have the government's full support in the way of technical and administrative services, tax, tariff, and other incentive policies, and financing facilities.

As our people have cooperated with us in the past year, we now ask their continued support of our Program during the years ahead. We likewise ask your support because you are leaders of the people.

Our program for rapid economic and social progress is ambitious. But our people deserve no less. They have long been in bondage to poverty; they must now be freed from their chains. The endeavor, with its complexity and the obstacles, requires formidable effort. Whatever the undertaking calls for, with faith from the people and support from leaders of the community like you and with God's grace, we in the Administration are grimly resolved not only to give out the best in us but, if necessary, to give all of ourselves in order that our people might enjoy the good life that is the rightful heritage of all mankind.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Speech of President Macapagal at the Launching Ceremonies of the 1963 Red Cross Fund Campaign and the Opening of the Red Cross Centenary

**Speech
of
His Excellency Diosdado Macapagal
President of the Philippines
At the Launching Ceremonies of the 1963 Red Cross Fund Campaign and the
Opening of the Red Cross Centenary**

[Released on January 14, 1963]

**Non-Partisan
Relief**

I HAVE always made public my personal appreciation of the services rendered by the Red Cross, having been, in many instances throughout my career in public service, a witness to its efficacy as an agency for our people's welfare. I am thankful, therefore, for any opportunity afforded me to share with our countrymen and our friends the inspiring message of mercy and compassion which we associate with this great humanitarian organization.

This year the world celebrates the 100th anniversary of the Red Cross movement. The celebrations will honor the memory of Henry Dunant who was chosen by destiny to give practical expression to this concept of human relationships. Originally intended for the aid of the wounded in battle, the Red Cross today takes within its merciful scope every form of human suffering. More, from the very beginning an instrument for peace, it is today a power for peace. We recall how the Red Cross founder was the first recipient of the Nobel Prize for Peace. Not long ago, the same prize was awarded to another man who made the cause of mankind his personal cause—Dr. Albert Schweitzer, the missionary of the Congo. When Dr. Schweitzer was asked what was the philosophy behind his life which he devoted to works of mercy and compassion, he answered in three simple shining words, "Reverence for Life." If today, I were asked what was the philosophy behind the Red Cross, I would borrow from Dr. Schweitzer and reply, "Reverence for Life." He could as well have been speaking of the Red Cross when he said "Reverence for Life," for in no other instance could we find a word more candid, more practical, more an unequivocal expression of reverence for life than the blood bank, disaster relief and all the other Red Cross services.

The Red Cross seeks to protect life, to place life above the importunings of disease, suffering and misfortune, above and beyond the narrow restrictions of nationality, color, creed and ideology. That is the Red Cross. This year the Red Cross completes its first century; it is not its last century. It will last for as long as mankind will, as all causes that embrace the well-being of man do last.

There have been many concepts of human relationships that came upon the earth during these one hundred years. The Red Cross is one, but others have come and gone as ephemeral fads, or as earth-shaking catastrophes that have scarred mankind. Concepts that sought to destroy what is good and beautiful and true in man, concepts that sought the enslavement of man, concepts which sought to trample the dignity of man, concepts which mocked the humanity of men, all these failed to outlive the century because, anything that works contrary to the well-being of man essentially works against itself, and therefore works towards its own destruction. At times concepts like these may appear to flourish. At times they may appear to triumph. But the time is inevitable when they crash with resounding finality, never to rise again.

The Red Cross in its final analysis is nothing more than one man helping another man, reaching out in everwidening circles to become groups of people helping other people. This is the gift of Henry Dunant to mankind, the movement we know today as the Red Cross. Men since the beginning of time have sought to give it form, and many have succeeded in giving it concrete expression, enriching it with the example of their lives, commending it to the acceptance of other men. The lives of Henry Dunant, Florence Nightingale, Clara Barton, Father Damian, Aurora Quezon, remind us of this. Thus it is that today we offer the Red Cross in praise and in gratitude to the Divine Mercy of the Almighty, and hold before us the example of Henry Dunant who, born to wealth and alien to misery, heard the

challenge of the wounded and the dying after the Battle of Solferino, and founded the Red Cross in response to this challenge. Each day we are confronted by the great and small challenges of life. How we respond to these challenges affect not only our own but other lives around us.

It is opportune here to borrow anew from the wisdom of Albert Schweitzer when on the occasion of the birth anniversary of Henry Dunant, he said: "The Red Cross has become a greater and more powerful organization than its founder ever dared dream to be possible. It is even more than this. It represents, in our troubled post-war world, the clear fact which every human being is called to feel, to think and to act with that compassion and love which lie deep within his own nature, and this also applies to all nations which in themselves are associations of human beings. It vividly brings this ideal to our minds, to us who know but are unfaithful to it. It is forever encouraging us to a better sort of world than that one we live in. We owe, therefore, a profound gratitude to the one who lit such a beacon in our present darkness. It is for us to see that it is not extinguished."

We are gathered here today precisely to see to it that this beacon shines brighter than ever, that this movement advances further still in our times. It is my privilege as President of the Republic to declare open the 1963 Red Cross fund campaign.

In our country, the Red Cross renders an ever-expanding service. Under our Administration, it will be more so because of our view that even in a country like ours where partisanship is acute, relief should be untouched by political or partisan bias. The government's main relief agency, the Social Welfare Administration, has reduced the partisan factor in the distribution of relief on occasions of calamities. However, we should strive for the concentration of relief facilities in completely unpolitical and unpartisan and thorough humanitarian agencies. The Philippine National Red Cross is the ideal national, non-political and humanitarian agency which shall be the cherished haven of our people in times of disaster and misfortune. Towards this end, I pledge the full support of my Administration.

I urge all citizens and residents of this country, as well as all associations and organizations to help actively in the fund campaign which we declare open today, by giving generously of their means, time and effort to realize the aims and purposes of the Philippine National Red Cross. There is no nobler effort for any official or citizen than to participate in the operation of the Red Cross and in contributing generously to its fund. A strong Red Cross in this country is a strong link in the chain of Red Cross societies which girdle the globe, one chain which, through all this time, has helped immensely in uniting men, in the face of strongly divisive influences.

I hereby authorize all national, provincial, city and municipal government officials and school authorities to accept for the Philippine National Red Cross, fund-raising responsibilities, and urge them to take the initiative and active leadership in their respective communities.

For my part, I wish to present my humble contribution to the 1963 Red Cross fund campaign in the amount of P1,000.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal during the Send-off Ceremony for the 9th Tactical Fighter Squadron, PAF

**Address
of
His Excellency Diosdado Macapagal
President of the Philippines
During the Send-off Ceremony for the 9th Tactical Fighter Squadron, PAF**

[Released on February 7, 1963]

**Mission in
Congo**

I KNOW that I express the sentiment of our entire people when I say this morning: Good luck to you all.

You are about to leave the peace and security of your homes, for an uncertain future in a strife-torn land, thousands of miles away.

It is only proper, therefore, that I—as your President and Commander-in-Chief, the person who has ordered you to the Congo—should tell you why.

We live in a world made small by technology and in an age made awesome by the atom; and this has effected a revolution in the concept of relations between and among nations.

Today, natural boundaries, distance, even time, no longer ensure the security of any given nation. Indeed, at no time in the history of man has the sentiment, “No man is an island entire of itself” been more applicable than in this era of the atom.

It is for this reason that nations with similar aspirations have grouped themselves together under the United Nations and pledged themselves to put a stop to any trouble anywhere lest that trouble spill out and plunge the whole world into nuclear destruction.

We in the Philippines believe in the peace aims of the United Nations, we have pledged support to it in the furtherance of those aims, and we are ready to fulfill that commitment with honor, and if need be, with our blood.

Your leaving for the Congo then is our way of fulfilling our obligation to the United Nations, to help preserve and enhance peace and freedom. We are a developing nation with still unorganized resources, but this has not deterred us from contributing our modest share in the task of the community of nations. We launched “Operations Brotherhood” in Vietnam. Our troops were in Korea when war broke loose in that country. We were poised to send a military contingent to Thailand upon call of that ally. Now our troops shall be in the Congo. All these are growing indications that as our young Republic organizes its resources and seeks its proper place in Asia and in the world, more and more it shall play an increasing role in the international scene to protect its vital interests and to contribute materially to the peace, security and prosperity of mankind.

Today, therefore, we are gathered here, not only to witness the departure of our contingent for duty with the United Nations command in the Congo, but also to give moral support to the brave fighting men of the air force composing this special unit who are on a mission that bears on the well-being and destiny of our Nation.

Designated the 9th Tactical Fighter Squadron, its mission is to take part, flying with the Philippines’ national colors side by side with those of other nations, in a collective undertaking of peace-loving peoples of the world to establish a favorable atmosphere where man can live in freedom.

When you arrive at your base of operations, you will be working with peoples of other nationalities. I wish to stress that I am as concerned with your individual performances as with your unit accomplishment because your unit accomplishment will come as a matter of course if each and everyone of you does his part to the best of his ability.

I say this because I believe that every single element of this unit is the Philippines to any group he works with, big or small. Your identity, therefore, as members of the Philippine Air Force or the Armed Forces is relegated to the background when you are regarded as Filipinos.

Let no one then adopt the false attitude that his individual action is insignificant in the creation of the over-all image of the Filipino people. Your individual actuations put together make up the true image of our country in your area of operations.

Remember always then that you are ambassadors of your country on a foreign soil, bringing the image of your motherland to the heart of Africa. I urge you to perform this goodwill aspect of your mission creditably and well. Your courage and professional skill must be matched by your friendliness and decorum.

As you perform your task, think of the men before you, who gave their lives added luster to the name of the Philippine Air Force like the late Lieutenant Isidro Paredes, the late Lieutenant Cesar Basa, your illustrious living predecessors, like Generals Pelagio Cruz, Pedro Molina, Jonas Victoria and Colonels Jesus Villamor and Godofredo Juliano.

Regarding your combat readiness, I am gratified that Colonel Casabar has taken such good care of this aspect of your fitness for duty with the United Nations, that I hereby extend to him my congratulations for his able work. No better choice of mentor for this fine outfit could have been made. Considering their distinguished military records and their evident sincerity of purpose, I have also great trust in the capability and leadership of Colonel Farolan and Colonel Rancudo.

To these officers of yours, I say in earnest entreaty, take good care of the men. I accompany this entreaty with an order: Give me a periodic report of the manner you have performed this moral duty to the men. I will expect a first report as of the first day you hit camp in the Congo. And I want each and everyone of you, officers and men, to feel free to write to me directly. Never mind the channels. Make your letters as personal as you want, and you can be sure I will answer each and every letter of yours.

To your families and relatives, I give assurance that they can call on me any time for every assistance at all time in any of their problems. I fully understand and share the feelings of your families and loved ones at this moment of parting. The Filipino family is among the closest-knit in the world. This is one reason behind the skill and bravery of the Filipino soldier, reason for him to return in triumph, honor and glory.

And so I conclude, officers and men and guests who are here on this day, February 7th, 1963 is a day to remember. To the families and loved ones of the 9th Tactical Fighter Squadron, it is a day to remember as one of sorrowful parting, sweetened by a resharpened feeling of love and a sense of justified pride that a dear one has been accorded the privilege of doing an extraordinary service for his country. To the officers and men of the squadron, it is a day to remember as one in which they have selflessly offered to consecrate themselves and everything earthly precious to them in sublime love of their native land. To us their superior officers and comrade-in-arms, who sent them out on this mission, it is a day to remember as remindful of the graveness of our responsibility and the need for sacrifice on the part of so many, in order to build a prosperous and great nation. And finally, to our country, it is a day to remember, as one that renews the prideful feeling that the Filipino nation is a Nation of heroes and true men who will not count the cost, who will happily give up everything dear, including life itself, if necessary for the honor and glory of the motherland.

And so, beloved and dear officers and men of the 9th Tactical Fighter Squadron, Philippine Air Force, in behalf of our people I salute you and bid you Godspeed and say to you, bring back the Philippine flag with honor, and with it, your "limbas" heralding your triumph as we fondly and lovingly await everyone of you with unbounded joy on your return.

God bless you.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**Address
of
His Excellency Diosdado Macapagal
President of the Philippines
Before the Rotary Club 20th District Conference**

Urgency of a Constitutional Convention

And this by no means is the only consideration which makes the revision of our Constitution imperative. Since the framing of our Constitution, vital changes affecting our political, economic, and social and moral life have taken place. Since that time, the difficulties inherent in independence have given us the added perspective so essential to perceiving the inadequacies of our Constitution as underscored by significant events. There is a wide feeling among our people from all walks of life that there is need for change and that the time for change is now.

The Philippine Constitution is the theory and system of government, and a way of life, shaped by its framers in the light of experience and knowledge. But as reality changes in form and substance, so must theory undergo change and develop in the light of the knowledge derived from freshly developing reality and experience. That the Philippine Constitution was never intended to be a static instrument, may be gleaned from the very provisions for its amendment. Therefore, the Constitution must be amended if and when, in the midst of changing circumstances and metamorphosing conditions, such amendment becomes a necessity.

Among the needed constitutional changes is the case of the Presidential Electoral Tribunal. The framers of the Constitution did not make any provision for such a body, for the realities then did not demand the creation of a supreme tribunal to take charge of resolving a presidential election contest. But adverse conditions of later years and the resultant moral degeneration and decay brought to the fore the perplexing problem of clean, peaceful, and honest elections. The legislative representatives of the people accordingly adjudged the necessity of creating- such a tribunal and did create it by lodging authority and power in the Supreme Court. But that step does not reasonably conform to reality and necessity. A Presidential Electoral Tribunal created by law may be as speedily abolished as it was created by repeal of the law, and the repercussions are not difficult to imagine. Moreover, considering that legislative election contests are resolved by constitutional bodies, it is derogatory to the position and role of the Presidency for a mere statute to establish the corresponding tribunal. Consequently, we urge that provision in the Constitution be made for the creation of a Presidential Electoral Tribunal, in such a way as to take due account of the separation of powers ordained by the Constitution itself.

Then there is the case of the Vice-Presidency of the Republic. Experience has shown us that a President, in a spirit of cynicism or partisan politics, may attempt to negate a Vice-President's service and usefulness by denying the latter a responsible post in the government scheme and by otherwise shutting him out, as it were, from the life and activities of government. To allow this situation to continue is to contradict both the spirit and the fact of the Constitution, taking particular account of the truth that the Vice-President must always be ready to assume the role of President. It would also place a premium on inefficient government, since the service potential of the Vice-President would be frustrated to the detriment of the people's welfare. Hence, the Constitution should be amended in order that the Vice-President may be made the presiding officer of the Senate, as is the case in the United States, Bolivia, Cuba, Liberia, and other countries, or be assigned some other definite official role, as the convention on its wisdom may decide.

We have previously expressed ourselves as in favor of limiting the President to a single term without re-election, leaving it to a convention to decide whether it will be four or six years. We reiterate our stand on this matter.

On the subject of presidential succession, the Constitution provides that in case of the inability of the President to discharge the powers and duties of his office, these shall devolve on the Vice-President. There is here a constitutional vacuum because just what inability is, is not defined.

The Constitution should be amended so as to authorize the disabled President, or upon his failure to do so, the Cabinet to direct the Vice-President to take over completely until the President is able to resume his duties. The question of physical ability or inability may be determined by a commission representing the three branches of government on the basis of expert medical advice.

With respect to the members of the Senate, the system we previously discarded of electing senators by districts would be more practical and productive of desired results. We are convinced that the achievement of the ideal of having a Senate composed of men of insight and wide experience lies in our reverting to the old system. At present, our electorate is called upon to choose eight, sometimes even more, senators every two years. What has happened is that after writing down two or three names which are their real choices, the voters add whatever names they can remember in order to complete their list or simply copy the names contained in the sample ballots which have been handed to them. This practice is not conducive to the election of the most qualified candidates. Moreover, the present system has discouraged many deserving and capable men who, lacking the influence to land a nomination in the party ticket or the means to finance or to contribute to a nationwide campaign, have desisted from running for the Senate.

Another needed amendment is that which will promote the purity of elections which is said to be one of the most important and fundamental requisites of popular government. To attain this goal, laws have been enacted to “banish the spectre of revenge from the minds of the timid and defenseless, to render precarious and uncertain the bartering of votes and to secure a fair and honest count of the ballots.” The Commission on Elections has exerted every effort to achieve the full attainment of this objective, but experience has shown that it is wanting in strength and authority to prosecute the saboteurs of popular sovereignty. The authority of the Commission on Elections should, therefore, be expanded by giving it the power to prosecute in court those who violate the provisions of our election code, and punish for contempt those who disobey its orders without having to secure assistance from our courts.

Let me take you now into the realm of the judiciary.

The judiciary must be kept free and independent and its standards must be held high. It is important that provision be made in the Constitution to the end that the members of the judiciary be kept as free as possible from the interference and control of politicians and safeguarded from the influence of corruption. This will require the creation and establishment of a career judiciary.

Starting from the very base of our judiciary system, we renew our proposal that the President shall make his appointments to the judiciary, from justice of the peace to the justices of the Court of Appeals, upon the recommendation of the Supreme Court, with the consent of the Commission on Appointments. In the case of the justices of the peace, the selection of qualified candidates should include competitive examinations given by the Supreme Court. Furthermore, once a justice or judge of court of first instance has been appointed to the bench, he can neither be reorganized out by Congress nor shall further congressional confirmation be necessary should the judge of first instance be appointed to another district, the change of district being observed merely promotional. Any instability or weakening of the tenure of office of the members of the judiciary sharpens and intensifies more dependence on the executive and legislative branches of the government, thereby undermining their independence.

There is complaint or comment about the heavy burden on the shoulders of the Supreme Court, the clogging of its docket, and the backlog of cases submitted for its consideration and decision. A remedy to the problem may be the lightening of the present burden of the Supreme Court as provided for in the Constitution. Towards this end, paragraphs (3) and (5) of Section 2, Article VIII, which refers to cases wherein the jurisdiction of any trial court is in issue and cases in which an error or question of law is involved, may be modified in order to apportion the appellate jurisdiction between the Supreme Court and other appellate courts, particularly the Court of Appeals.

It is our belief that the Supreme Court’s main task is the resolution of only very important and fundamental questions. With the achievement of a career judiciary, the Court of Appeals whose members have the same qualifications as the Supreme Court justices, can decide questions of jurisdiction as well as question of law, without prejudice to the elevation of cases involving legal and jurisdictional issues to the Supreme Court by way of appeals by certiorari, in which event, it would be up to the Supreme Court to appraise the importance of any particular case thus appealed and to decide whether the certiorari would be allowed or not. In this way, there will be assurance that only important and fundamental questions of law would be before the highest tribunal of the land, and its burden would be considerably lightened without in any way diminishing its importance and category in its vital role of laying down judicial precedents.

A constitutional change that is urgent is the reallocation of powers among the three branches of the government calculated to diminish the powers of the President, bolster the judiciary from political control, improve legislative practices and decentralize the government by allocating more powers and responsibilities to the provincial, city, municipal and barrio governments.

It is a consensus that the President of the Philippines is too powerful, more powerful internally than the President of the United States. This situation was due to the influence of the strong leadership of President Quezon at the time of the making of the Constitution, as well as the impact of the world situation at that time when the democratic governments of even the United States and the United Kingdom appeared inadequate to meet the challenge of the dictatorships of Adolf Hitler in Germany and Benito Mussolini in Italy. We are in conformity to the need for reducing the powers of the Philippine President but how else can it be done other than by amending the

Constitution? At the start of our Administration, we initiated by overt act the reallocation of powers, in anticipation of the calling of a constitutional convention, which we feel imperative by starting with the return to Congress of the Presidential power to create municipalities and other political subdivisions. Congress not only failed to call a constitutional convention but the opposition has since shown that while they would allege abuse of executive powers, they would go to extremes in the abuse of congressional powers, thereby making it clear that it would not be safe and good for the people that the presidential prerogatives be unilaterally tampered with without a general and well-balanced reallocation of the prerogatives of the three branches of the government.

Among the needed change involving legislative procedures are the proposal for the automatic continuation of the current budget if the yearly appropriation bill is not passed, for obvious reasons of continuity and efficiency. There is the proposal for the counting of the thirty-day period within which the President should act on a bill, not from the adjournment of Congress but from the date of the bill's submittal to the President, which proposal conforms very much to fact and reality. And there is the proposal that would require the concurrence of Congress, in joint session assembled, preferably by two-third vote, in the matter of suspension of the writ of habeas corpus and the declaration of martial law, or with the concurrence of the Supreme Court whenever Congress is not in session, which proposal is in line with our pledge to be in the vanguard to defend and protect the Constitution and safeguard civil liberties.

As a corollary to the inadvisability of reducing the presidential powers without an equitable reallocation of the prerogatives of the three branches, it will be impractical to effect decentralization and the increase of powers to the local government except as a flow from constitutional changes that would recast in their entirety the balance of governmental powers.

These consideration should give a sufficient indication of the harm to the national interest and the obstruction to the vital needs of our people being caused by those who, for partisan and other unmeritorious considerations, would thwart the updating of the Constitution.

After having scanned and given thought to every stated basis of objection to the amendment of the Constitution at this time of change, we frankly have failed to see the merit that we sought in the objection. Some conservatives have advanced the proposition that the Constitution is adequate and resilient enough to cope with novel conditions and modern necessities. This observation, however, is an empty generalization.

Indeed, last year both parties in Congress, through their recognized spokesmen, were for calling a convention to amend the Constitution, which was officially proposed by the House of Representatives, and which, if not done by the Senate, was said to be due to lack of time because of the abrupt adjournment of the Senate session.

Now it is reported that the Opposition in Congress is no longer in favor of the calling of the constitutional convention. If there should be opposition to the amendment of the Constitution, the real reason is political and partisan and not the welfare of the country. Considering that it is the consensus that members of Congress should be made ex-officio members of the constitutional convention because they are vested by the constitution itself with constituent prerogatives, the opposition leaders were agreeable last year to the convention because they were in control of the Congress. Now that the control of the House of Representatives has passed to the administration party, the Opposition has changed its mind about the merits of considering a constitutional convention.

This is unfortunate for the country because it not only would forego needed changes in the fundamental law at a time when they could assist towards the efficacy of reforms but would also betray a tendency on the part of our leaders to sacrifice the needs of the nation for sophisticated considerations. One possessed of intellectual ability could adduce a number of high-sounding reasons for opposing now the amendment of the charter but our people need today not intellectual ability but intellectual integrity and sincerity.

New reasons are being adduced for not calling a convention. One is that this being an election year, the convention should not have a political air. If this is a valid objection to a constitutional convention, the Constitution would never be amended. Next year, the same objection could be put up on the ground that it is approaching a Presidential election which produces a more partisan atmosphere than the local elections which will be held this year.

Another objection being put up is that because of the methods used by the President in his Administration, it is not advisable to call a convention because the President may influence the selection and the actuations of the delegates. This is the most ridiculous objection ever yet asserted. Not that we intend to influence the convention, but when President Manuel Quezon influenced the making of the present Constitution, did anybody then find it objectionable and has it caused the impurification of the present Constitution? The fact is that those who put up these objections will be members of the convention, while we will not be in the convention.

The objection simply means that the objectors, have no faith in themselves and in the others who will become delegates. Worse still, it betrays lack of faith in our people. This is the worst affront yet on the dignity, capacity and quality of our people. If some politicians have no faith in their quality to fight for the interests of our people, they should not infect the people as a whole with their sense of moral weakness.

When we were fighting for the Presidency, all the odds were against us. Those who now mouth loud and hypocritical lamentations, bemoaning alleged threats on our democracy, are the same ones who, smugly partaking of the haughtiness of conscienceless power, then joined with alacrity in wielding the club of ruthless authority to destroy us completely who were then in the Opposition. Did we raise the bugaboo of democracy becoming a corpse in discharging our tasks as fiscalizers? No, because we had faith in our people who are the ultimate source of power, judgment and wisdom in a real democracy. Instead of resorting to intellectual ability to raise false alarm, we worked hard to bring our case to the people because we had faith not only in ourselves but also in our people. We reject with vehemence as preposterous any opposition to the calling of a convention for the amendment of the Constitution, which is based on lack of faith in our people because our own faith in the quality and virtues of our people is such that we are certain to the core of our being that long after the hollow words of the intellectual sophists peddling false alarm over our liberties for partisan and selfish purposes have been erased in the sands of time, long after real would-be dictators have fallen in defeat, long after the ignominy of those poseurs of leadership who attribute their own weakness as the weakness of their people is forgotten, our people will still be in this land, from year to year, from epoch to epoch, increasingly virile in the pursuit of their well-being and majestically triumphant in the preservation of their liberties against the excesses and despite the weaknesses of their so-called leaders.

The most enormous evil behind the sophistication of the opposition to a constitutional convention is that it is a stand being made in favor of the status quo and the resistance to reform. In this light, history will be severe in its judgment on those who have used the cloak of the Constitution as a shield to resist progress and to preserve the growth-choking bastions of special privilege and vested interests. Designed to promote the well-being and the economic security of all the people, the Constitution will have been used to frustrate the promotion of the people's welfare by prolonging and perpetuating the system of a few getting richer and richer and the poor getting poorer and poorer.

If the Constitution were to be amended, the amendment to which we attach the highest importance and urgency is one which, in the light of favorable experience in other countries, would guarantee, among the Bill of Rights, the right to dignified existence to every citizen. The objective of the present Constitution of promoting the well-being and economic security of all the people is one to be cherished, but if it is sought in a setting of obstructive economic, social and political practices which had piled up from generations past, such a noble and desirable objective may remain as unfulfilled unless the Constitution incorporates implementary principles that will compel compliance and thereby attain the constitutional goal of liberating the bulk of our people from the centuries of poverty and misery in which the constitutional pledge of promoting "the wealth and economic security of all the people" is to them a meaningless shibboleth.

In moments of paying homage to the Constitution by examining its provisions, divining its strength and its inadequacies, we have always felt elation at its long list of guarantees to personal liberties. We felt disheartened to observe, however, that out of the many provisions of the Bill of Rights, there is no protection to one's right to dignified existence. Importance has been given to the right of man to his liberty and to his property—emphasis on his individual freedom and material possessions. This emphasis on civil liberties is laudable; but the lack of emphasis on a dignified life for the common man is lamentable. It would appear that our Constitution has taken the right of man to live for granted. Indeed, while it threads a beautiful garland of human rights, embellished with the different blossoms of liberty—freedom of speech; freedom of the press; freedom to assemble and petition the government for redress; freedom to contract; freedom to form societies; freedom to change domicile; freedom from unreasonable searches and seizures; freedom of religion and belief; and many more—our Constitution is wanting in

a positive and mandatory injunction for the state to provide for the citizen's right of existence and the dignity inalienable to it.

The Constitutions of other countries expressly recognize and protect man's right to dignified existence. The Constitution of the Republic of China has this provision: "The right of existence, the right of work and the right of property shall be guaranteed to the people." (Art. -15.) "The state, in order to promote social welfare, shall establish a social insurance system. To the aged and the infirm who are unable to earn a living and to victims of unusual calamities, the state shall give appropriate assistance and relief." (Art. 155.)

The Constitution of the French Republic declares: "The National Assembly shall ensure to the individual and to the family the conditions necessary to their development.

"The National Assembly shall guarantee to all and particularly to the child, the mother, and the aged worker, protection of health, material security, rest and leisure. Any individual who, because of his or her age, his or her physical or mental condition, finds himself or herself unable to work shall have the right to obtain from the community the means for a decent existence." (Constitution of the French Republic, Oct. 27, 1946.)

The right to work is expressly protected in the constitution of the Italian Republic which provides, thus: "Every citizen unable to work and deprived of the means necessary to live has the right to support and to social assistance." (Constitution of the Italian Republic Dec. 27, 1947.)

In Japan, the right to work is likewise guaranteed. Its Constitution declares: "All people shall have the right and the obligation to work." (Art. 27, Constitution of Japan. Promulgated Nov. 3, 1946, effective on May 3, 1947.)

It is said that "life means more than mere animal existence—it means the enjoyment of all the faculties given to men by God: the right to see, the right to hear, the right to eat, the right to contract, the right to use any part of the body through which it should communicate with the outside world." If this be so, then it is the duty of the state to provide tangible means so that the citizen may fully enjoy the faculties that God has endowed him with not just to see, but to see things that are pleasant; not just to hear, but to hear things that are agreeable to his hearing; not just to eat, but to eat food essential to his body; not just to work, but to earn enough for himself and his family—in short to enjoy life as a decent human being.

The opponents of constitutional change and defenders of the status quo will, perhaps, rationalize their complacency by pointing out that where there is life, there is hope. We submit, however, that where there is life, there must be more than hope—there must be a real opportunity for the common man to make that hope a reality. And upon the state rests the duty of taking every possible measure to insure that there be contentment among the citizenry.

Let us amend the Constitution to speak in bold, positive words of this obligation of the state to the citizens. Through a positive provision in our Constitution, let us exalt the importance of the Filipino life and take it out of the commonplace—where it has so often been relegated. Let our Constitution protect not only the life of the Filipino; let it protect his dignity as well. Anything less than this, we should not allow to remain. Let the Constitution contain an express mandate that would change an attitude of unconcern about the lot of the common man and replace it with an active concern to help the humblest Filipino to rise up in dignity and freedom as a true co-owner of his nation. These are moments of grave decisions and quick actions. Our Constitution has long cried for reform and innovation. We await the judgment of the representatives of the sovereign people in Congress while we, with all earnestness and dedication, shall strive to increase the peoples' awareness of the Constitution as their vital and living pathway to the attainment of their common goals, ideals and aspirations. God willing, we can all join hands to make our Constitution as the basic and powerful force for the building of a greater republic of free and dignified men.

Source: Presidential Museum and Library

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**Address of President Macapagal before the Tenth National Congress of the Sugar Industry Address
of**

**His Excellency Diosdado Macapagal
President of the Philippines
Before the Tenth National Congress of the Sugar Industry**

[Delivered on February 11, 1963]

FUTURE OF THE SUGAR INDUSTRY

A YEAR AGO, we addressed you on the occasion of the Ninth National Congress of the Philippine Sugar Industry. On that occasion, we assured you of our interest in the welfare of your industry. We stated, as firmly as we could, that as President we could not but show sympathy, helpfulness and understanding towards the sugar industry whose welfare, growth and development were so inextricably bound to the welfare, growth and development of the nation itself.

During the past first year of our Administration, we endeavored to show you with deeds the sincerity of our words. We made representations with the American Government which successfully surmounted the serious threat posed by the proposed institution of the global quota system for sugar imports into the United States. These efforts, together with yours, resulted in the maintenance of preferred prices for Philippine sugar imports into the United States and won additional non-quota allocations.

We likewise directed the departments of government concerned with your industry to give you all encouragement and assistance in your projects and programs. In the fiscal policies and programs of our Administration, we considered your best interests and those of other export industries. We gave you full support for your plans for integration and expansion and, although these plans are still to bear their fruits, we have every hope that these shall be forthcoming soon.

We are gratified that you have welcomed the efforts of our Administration with your own cooperation. Except for a few who persist in perpetuating the out-moded division of interests which has been in the past so destructive to the progress of our nation, the large majority of the members of the sugar industry have shown genuine understanding of our efforts. As we stand here before you today, we feel encouraged by the conviction that there is among you a proper understanding of our motives, our ideals and our objectives. We feel that we are dealing with you not just as the President of the Philippines but as your partner in the efforts to meet your hopes and your fears, as a collaborator in your programs, as a participant in your future, and above all, as your friend in your problems, aspirations and welfare.

As a friend, let me speak to you briefly now on a matter which we know is in your minds: the future of the sugar industry.

Last year, we made the suggestion that you should consider immediate diversification of the sugar industry and the industrialization of your by-products as a means to further stabilize the sugar industry. Many of you have made plans to do so. What is needed now is to take immediate steps to implement those plans.

Even at this early date we should be considering alternate proposals which can be presented to the United States Congress to replace the Laurel-Langley Agreement when it expires in July, 1974. In making these plans, we should consider the projected increases in consumption demands of our own people which by that time are calculated to be close to the present total production. If the Philippine sugar industry is to be placed in a position to supply our own projected demands and at the same time take advantage of the United States and world markets, there is need to accelerate your efforts to expand production.

For this purpose, it would be of value to make maximum use of the technical knowledge now available here and abroad and of the additional finances that favorable sugar prices have made available to us. There should be more

emphasis on intensive rather than extensive farming by increasing your yield per hectare before considering opening new hectarage to sugar. Those mills that have already started to take measures to increase their efficiency are moving in the right direction. There should be greater efforts towards this end. It is our sincere belief that your expenditures in modernizing your farming practices and mill facilities will bring you rich rewards. If these improvements are made now, there is still sufficient time to amortize the new expenditures during the life of the Laurel-Langley Agreement.

The Philippine Sugar Industry is a rich and strong industry with resources and capacities which have not yet been fully tapped. What this industry can do when it bends its will and its back to it is clearly shown in the history of this industry in the years immediately after World War II. From practically complete and total ruin in 1945, it lifted itself up inch by painful inch until in 1958, with less mills and less acreage than it had had before the war, it surpassed all previous production records and took its place as the number one foreign exchange earner of our country. This performance alone shows that the potential of this industry is tremendous.

It is our duty to find the reason why this potential is not exploited to the fullest, why specifically, with a ready and eager market in the United States which is hungry for your products, you have not been able to fill the additional non-quota allocations to which we were entitled. During the last two years, the Philippines failed to fill a large portion of its US sugar non-quota commitments, with a consequent loss of more than \$50 million in foreign exchange revenues. This year we stand to lose another \$30 million. Even under normal conditions, it would only be sound business sense to discover the reason behind these losses. Faced with the inevitability of 1974, it is not only sound business logic but an imperative necessity.

We enjoin you to address yourselves to this problem with your characteristic vigor and determination. We are aware of the rivalries that exist between and among you. We know of the difficulties engendered by normal business competition. But there is more at stake here than pride and individual welfare and the well-being of any particular firm and business. The welfare and the future of the entire sugar industry, indeed the welfare and the future of the entire nation and of generations of Filipinos yet to come, are also at stake.

We venture the suggestion that you forget whatever rivalries may exist among you, to forget bickerings and family quarrels, and instead to sit down together and plan your program to meet the inevitable that will soon be upon us.

The most important elements in the work that has to be done are still the planters, the millers and laborers. The success or failure of any plan to develop and improve the industry will depend upon the cooperation, cohesiveness and unity of these three elements.

We wish to lay special emphasis on the fact that the third element—labor—is as important in this undertaking as the planters and the millers. No business venture can hope to succeed without the proper understanding and compensation of efficient labor. It is with gratification that we have noted the beginnings of efforts in the right direction in your dealings with labor. We urge you earnestly to accelerate this effort to reach the proper levels of compensation at the earliest possible time in order to achieve the proper atmosphere for the attainment of our objectives.

We cite with appreciation the fact that the laborers who depend on your industry for their livelihood have shared in your good fortune which resulted from the increased earnings from decontrol and from the protection of your quota position in the United States. You should widen your benevolent efforts in this direction. While benefiting more from the exportation of your product, it would be commendable as indicative of concern for the public welfare in general and for the plight of the small man in particular for you to insure, on a preferential basis, an adequate supply for domestic consumption in order to keep the price of sugar to our people well within the reach of the masses. The cooperation that you have extended on this score has been noted with satisfaction by the Administration and the continuance of such understanding and cooperation will surely bring in fruits of good will from our people and reciprocal assistance on the part of an appreciative Administration.

It is by now no secret to you that the Administration, while handling with comprehension and justice, all the problems of the Nation, has sought to lay emphasis on giving the laborer and the common man new and effective

opportunities for the enjoyment of a better life. This is by no means aimed at depriving the well-to-do what is their due but of sharing, through the ways of justice and magnanimity which are qualities of a democracy, the bounty of the land with the less fortunate of our countrymen. We seek to benefit the common man not by pulling down the rich to his level but by pulling up the worker towards a more abundant life which it is within the efficacy of a democracy to give.

We deny, therefore, the political smear that the Administration's ways are against the well-to-do. This is belied by the fact that countless wealthy citizens and enterprises have rallied to the efforts of the Administration and are being given wider opportunities for productive activities beneficent not only to themselves but to the country at large. Nor is there basis for the partisan calumny that the Administration is undertaking punitive action against those businessmen who were on the opposite political side. To cite only one instance, the Jacinto family which promoted under past administration the P250 million enterprise for the establishment of an integrated steel plant and is known to have supported the opposite political group in the last polls not only has not been in the slightest inconvenienced by the Administration but, on the contrary, forgetting politics and remembering only that this enterprise is good for the economy, the Administration gave assistance to the Jacinto project in the form of terms and credits in millions which it could not obtain even from the past administration because this Administration is for helping businessmen and entrepreneurs, irrespective of political considerations, who can contribute to the harnessing of the vast productive potentials of the country to spread prosperity to all the inhabitants of our country.

We are only against one group—the politicians who, occupying elective office, use their public trust and political power to advance their business interests. We are for helping all other businessmen, whatever their politics may be. If you are a businessman who is not holding elective public office, you can feel absolutely at ease in going about your legitimate business without being subjected to any inconvenience and the Administration will even help you with what it can in your problems and needs, irrespective of your politics, past, present or future.

A proper understanding of this true attitude of the Administration towards legitimate businessmen in general and in particular towards politicians who unduly compete in elective public office with bona fide businessmen should likewise lead to a better understanding of the Administration's attitude towards the giving of more effective opportunities to the common people for the enjoyment of a better life. A number of measures showing the particular concern of the Administration for the plight of the common man have already been taken. We have urged you to help the laborers in your industry. We have assured the common man of his rice through the RCA; reasonable prices for prime commodities through the NAMARCO; employment through the EEA; housing through the multi-storey tenement projects; clothing through the "PAGASA" textile, insight into the responsibilities of proprietorship through the sale to him of the NDC textile factory; specialized opportunity for higher education through the project for a Labor University; and a new dignity and incentive for more productive effort through the project to abolish tenancy.

Why have we undertaken these and more for the common man? It is not just that he is by natural right entitled to a decent living; it is not just that true democracy, and indeed, the constitution itself, requires not only the enjoyment of political rights and liberties but also "the well-being and economic security of the people." The alleviation of the plight of the common man has been included as one of the three major goals of our five-year integrated socio-economic development program not without a high economic purpose. Fundamentally, we are profoundly concerned with the welfare of the common people because of our conviction that this country can become a prosperous and strong nation only if and when all the people, including the now impoverished and apathetic masses, can be aroused to take active part in husbanding our vast resources and in building with hard work and enthusiasm the prosperity and strength of our Nation.

We have indicated to you what you should do to face the future of the sugar industry. On its part, your Government as your friend has not been idle in relation to your problems. The Department of Commerce and Industry has been working closely with you in studying the problems involved and working out their solutions. We are working constantly to increase the efficiency of the Sugar Quota Administration so that it could serve you and your industry better. We have explored the possibilities of availing of the German Government's desire to help work out the technical problems of the industrialization of your by-products. A German Government scientific mission may be arranged to help you in this direction.

The Philippine National Bank is now giving increased financing to the sugar industry. The Administration is cooperating wholeheartedly in the establishment of the Private Development Corporation of the Philippines which can be another source of investment equity for your expansion and industrialization. Through the Department of Commerce and Industry, we have made representations with foreign credit institutions to make available financing for the expansion of the sugar industry. As your realistic needs indicate in the process of your efforts at more efficiency and expansion, the Administration is prepared to expand its facilities and efforts to the utmost to make available to you the financing and credit aids that you need.

We assure you that you shall have all the assistance and support that the Government and our Administration are within our power to give. We are fully confident that together we shall be able to meet successfully the challenge to the future of the sugar industry.

A year ago, when we appeared before you, we stated that the sugar industry as an entity or group should not engage in partisan politics as it did in the previous presidential election. In candor, we say that our constructive and friendly admonition does not seem to have been heeded. The figures who led the industry into partisan politics are still engaged in obstructing the Administration in bringing about official national solidarity through which to accelerate economic and social reform and progress. The organizational heads of the industry at the time it engaged in partisan politics have continued at their posts. In this connection, we emphasize that in our contentious actions, we are only against a handful political group who have pretended to control the sugar industry and not against the sugar industry itself and that as far as the industry itself is concerned, we are strongly for the sugar industry and for helping the industry in its expansion and other problems.

Beyond pointing out these facts, we only state now at the beginning of another election year that if only the industry will heed our friendly and constructive suggestion in reality and not in words, considering our own interest and faith in the industry because it is a great enterprise and because it is the means of livelihood in our own province, the sugar industry will be the favorite industry under the present Administration which is ready to exhaust all efforts and assistance, under conditions of mutual faith and good will, both to meet the threats to the future of the industry and to enhance it not only as the great industry of the past and the present but also as the greatest Filipino industry of the future.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**Address of President Macapagal on the Induction of Officers of the Metropolitan Police Association Address
of
His Excellency Diosdado Macapagal
President of the Philippines
On the Induction of Officers of the Metropolitan Police Association**

[Released on February 15, 1963]

THE PHILIPPINE POLICE

I CONGRATULATE the officers of your Association and wish you all well in the discharge of your duties.

At no other time in our history has there been a need for focusing attention on the police forces of the Philippines than now. This is so not because there are more people today who violate tranquility and order in our society but because advances in technology and changes in concepts have brought about a sophisticated society that is ruled by numerous ordinances, rules and laws. We have today in our society segments that rationalize, that justify matters in complex reasoning processes, that see many shades of gray between black and white. In view of this, there is great need for properly-trained men to implement those laws.

It is a long-recognized fact that police agencies all over the country face many problems, some of which, like lack of personnel, equipment and materials, and low rate of salary, cannot be solved by the agencies directly but by Congress or by the lawmaking bodies of the cities and municipalities concerned. The solutions, however, to some problems which need immediate attention, are within the sphere of the power of police agencies, if only all the component elements of the police organizations would direct their efforts toward this end.

A mention of some situations would be enlightening. There is the situation wherein the solution of a crime or offense lies or depends upon the testimonial evidence of a person who for some reason or other refuses to cooperate with the officers of the law. It is also not seldom that persons who witness a crime or who have personal knowledge of it are hesitant to report the matter to the proper police agency. In this kind of task, the skill of the police officer and the cooperation of the public are needed in order to achieve the goal.

In order that police agencies may have the cooperation of the public, they must show that they are worthy of public trust and confidence. To gain the cooperation of the citizenry, it is imperative that the police establish prestige—an image in the minds of the citizen that commands public confidence, public respect, and even public pride; an image that does not change with administrations. Police agencies must manifest by the results of their work that they are capable and efficient; they must prove their honesty and integrity in the performance of their duties; and they must recognize and respect the rights and dignity of the citizens.

There is a serious problem affecting the police. It concerns the elections.

Like the armed forces, the police represents the physical might of the State. As the armed forces is kept from politics, so must the police. The reason is obvious. If other officials of the government, like the school, health and public works officials, abuse their authority by electioneering, which should also be avoided, the voter or citizen has still a chance of exercising freely his constitutional right of suffrage. But if it is the chief of police and the police who will take part in partisan voting, the citizen has no chance against the terrorism because the highest law is the law of preservation. Electioneering by organized armed authorities like the police, therefore, seriously endangers and nullifies the free exercise of the right of suffrage to the grave peril of democracy.

It is for this reason that the Administration has denied the petition for the commutation of the death sentences of the chief of police and the four policemen, as well as the mayor who connived with them, who were sentenced to death for terrorizing and killing the late Moises Padilla in Negros in connection with the 1949 elections, and likewise denied the petition for pardon of the responsible political chieftain, former Governor Rafael Lacson, who was sentenced to life imprisonment. It is for this same reason why I have declined to place the choices of chiefs of police

in the hands of the contending political leaders and have made my own choices. These acts serve to show and emphasize that it is the policy of the Administration, which should be likewise the firm policy of the State, to keep the chiefs of police and the police from partisan politics and voting. In the 1963 elections, I shall observe keenly whether this policy will be observed by the police and their officers, and I shall act firmly and decisively as the actuations of the police will make necessary.

As a corollary to the police not engaging in partisan politics, the police administration must also be free from political interference. Being an integral part of the administration of justice, police service must be accorded a certain degree of independence from politics so that it may carry out its basic function of law enforcement effectively and efficiently. It is sad to note that oftentimes, efforts of police agencies to apprehend law violators and bring them to our courts of justice are thwarted by politics. Reshuffle of personnel in a police organization is sometimes resorted to by politicians to prevent criminal prosecution of followers who commit crimes. Law-abiding citizens at times are reluctant to ask police assistance, knowing that the person or persons who are the subjects of their complaint have political connections.

Even matters of promotion in the police service are not free from the undue political intervention. Those police officers who faithfully perform their duty in the enforcement of the law frequently find themselves relegated to the background, while those who know how to cater to partisan pressures are given undeserved promotions. The solution to the inordinate political meddling in our police forces is addressed particularly to the statemanship and higher level of political practices of our political leaders.

Basically, the police administrator, however, can assist in the solution. You must be united in resisting and combatting political interference on purely police matters; you must not allow yourselves to be swayed by the political influence or connection of persons who are the subject of investigation; in matters of appointment in your respective police organization, you must not give preference to political recommendees unless they are fit. On my part, I shall be ready to extend my assistance to any police officer or policeman who becomes a victim of injustice or of undue pressure by any politician.

The police are no less vital than the armed forces and the constabulary; in the maintenance of our democracy and its free institutions. In a sense, the police have a profounder bearing on our democratic institution because they deal daily, directly and continuously with the citizens themselves in all the localities of the land, both rural and urban. They are the might of the state as seen and observed by the humblest inhabitants of the country. Their actuations and conduct reflect on and influence the attitude of the people on the virtues and evils of democracy which is mortally challenged by another ideology. It is, therefore, imperative that the police everywhere should literally be the "finest," although it is a sad fact that in many localities in the country, the situation is exactly the opposite of what is desirable.

In the current session of Congress, the lawmakers of our Republic have an opportunity to consider this situation by looking into the unsatisfactory situation relative to the police in most localities throughout the country. It is not only the undue participation of the police in politics but their efficiency and general standards that constitute a serious national problem. The Congress would be doing a palpable duty if they were to consider and enact legislation to provide adequate and standardized training to the police forces of all municipalities and cities and generally elevate the police to a higher level in order that the police everywhere shall not only efficiently maintain peace, law and order but shall be a commendable demonstration of the corps of guardians of the people's safety and freedoms which our Republic can provide to our citizens in every community.

The training of members of our various police forces and agencies should be centralized with the end in view of achieving uniform and systematized knowledge of up-to-date scientific methods of crime detection and investigation. There should be a centralized agency where all police agencies in the country should submit records of arrest, fingerprint charts of arrested persons and persons suspected of committing a crime, and other information. The centralization of criminal laboratories would also redound to the benefit of and contribute to the efficient performance of all police organizations. There should be only one laboratory where all examinations of specimens gathered in the course of investigations are made.

On the part of the Executive, we are ready to do our part and exert our utmost in a project to elevate the efficiency, standard and well-being of all police forces throughout our country. We shall also support a feature of police reform that would raise the pay of our police since they not only render service to the community but offer and risk their very lives.

Aware of the problems confronting you and knowing the solutions thereto, you should cooperate with each other to fulfill your duty as guardians and protectors of the rights, liberty and property of our people. You all need each other and you must help each other to accomplish your mission. With your cooperation, I am very sure you can in turn help us carry out the high objectives of our Administration.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**Address of President Macapagal before the 7th National Convention of Filipino Businessmen Address
of**

**His Excellency Diosdado Macapagal
President of the Philippines
Before the 7th National Convention of Filipino Businessmen**

[Delivered in Baguio, February 21, 1963]

THE CHALLENGE TO FILIPINO BUSINESSMEN

WE ARE PROUD and privileged to greet you on the opening of the 7th National Convention of Filipino Businessmen and to congratulate the Chamber of Commerce of the Philippines on the occasion of its 60th anniversary.

We are struck by the theme of your convention which is "Economic Progress through Cooperation and Understanding." It is reminiscent of the post-war economic epic of German prosperity through competition which is another way of expressing free enterprise. Our country, too, has adopted free enterprise as the means through which the Nation seeks a rapid rate of economic growth and progress.

It is gratifying to note the implication from the theme of your convention that free enterprise is assumed as the accepted mode of seeking the economic progress and that what remains to be explored is how this mode of economic progress that the Nation has accepted can become effectively utilized and implemented through cooperation and understanding.

Your convention signifies that the Filipino businessman is increasingly discovering his place in his own country and is gaining more and more masterful control over the economic destiny of his nation. It has been a long, hard rise from the days when the Filipino was a mere customer of foreigners in his own land to this day when he has risen to become a producer, trader, banker, and assertive leader in the conduct of his country's economic affairs. The members of this gathering are an impressive testimony to that progress.

While it is one thing, however, to celebrate in retrospect the growth of Philippine business, it is another thing to look upon its future course as a challenge. In the spirit of the theme of your convention, the first thing that requires understanding is that many a Filipino businessman in the past was able to establish himself successfully under the protective umbrella of controls and political favors. For a good length of time, the system of controls was explicitly used by the public authorities to favor Filipinos over resident foreigners in the allocation of foreign exchange. While these arrangements succeeded to some extent in promoting the expansion of the Filipino private sector, it also succeeded to a large degree in promoting the wrong types of enterprise by means of wrong inducements, and gave rise not only to the spread of graft and corruption but also to the visible distortion of investments and misdirection of our industrial development. The phenomena of overcrowded industries and the multiplication of packaging establishments are the most conspicuous evidences of such misdirection. Thus under a system of controls, the promotion of Filipino business was indeed advanced, but this was gained at a high price, too high a price for a developing country like ours to pay.

Hence, our first major act upon assumption of office was to abolish exchange controls, remove from the government the power to allocate our foreign exchange resources, and let the free market be the chief factor in regulating business activities in the country. To the Filipino businessman, this means essentially two things. The first is that he has lost the protection of controls and must now prove his strength under competitive conditions to meet the prospective rewards and the prospective penalties of a free market, a market in which foreign capital has to be reckoned as a competitor. The second is that the Filipino businessman must be ever more aggressive, ever more imaginative, and ever more efficient than before in order to turn his newly-won freedom to his own advantage.

One of the basic principles enunciated by the Five-Year Socio-Economic Program is that: "The principal responsibility for development belongs to Filipino citizens. They must be the principal determinants as well as the

chief beneficiaries of economic progress.” One of the foremost objectives, of the government in pursuing its economic development program is to support the vigorous expansion and development of the Filipino business sector: to strengthen the Filipino businessman’s capacity to exploit the resources of his own nation and to direct the rewards of economic growth chiefly to our own countrymen. This does not mean that we intend to revert to a system of controls in order to let Philippine industry develop in protected isolation from foreign competition. What it means is that the Filipino must rise to the task of proving his own ability to compete with others within a free market and to prove himself the equal if not the superior of his counterparts anywhere in the world. In this task, he has his government’s full support.

At the moment, our country is most in need of investment, of capital formation. To increase it is one of the chief tasks of our Five-Year Program. We have, in fact, submitted to Congress this year, as part of our legislative program, a new Investment Incentives Bill to encourage and promote the investment of domestic and foreign capital in our country. The Bill specifically stresses the development of a number of basic and essential areas of industry to which venture capital would be most welcome. These include steel and allied metal industries, mining, basic chemicals, heavy electrical products, industrial machinery, pulp making, synthetic fibers, ship-building and drydocking, fertilizers and other vital fields.

This bill gives substance and meaning to our adherence to two basic principles: that a system of free enterprise is the most conducive climate for the growth of private business and that our development as a nation will depend on our deliberate effects to mobilize sufficient capital to induce a massive growth in our country’s productive capacity. In accordance with these two principles, subject only to the reservation of certain vital areas as the exclusive domain of Filipino nationals it should be a matter of understanding that there should exist cooperation with foreigners in exercising the freedom to venture into the basic industries just mentioned. In the spirit of such cooperation, we should guarantee to foreign investors certain normal prerogatives: the right to remit their profits, the right to repatriate their capital, protection from unjust expropriation, and protection from unwarranted requisition. We are, in other words, making the country a safe and attractive place not only for domestic investment but for foreign investment as well in a cooperative effort, as a realistic and long overdue concession to our need for foreign participation in our capital formation.

The acceptance of cooperation from foreign capital will require greater alertness and aggressiveness on the part of the Filipino businessmen. It is the energies of our own entrepreneurs which can prevent our newly-restored free enterprise system from turning by default into a substantial capitulation to foreign capital. It is the boldness of their planning and the swiftness of their action which will determine how much of our development potential can be captured by our own nationals. It is their ability to look beyond the quick-profit opportunities of the day to the longer, more demanding, but more rewarding task of building our nation’s industries that will spell our success as a people to develop our economy as our own precious patrimony.

Given the vigor of our Filipino businessman today, of which this group represents some of the most outstanding, there is no reason why the incentives extended to Filipino and foreign nationals cannot be exploited by our own people to strengthen and accelerate the development of a strong and dynamic Filipino business sector. These incentives are substantial. They include the carry-over of initial operating losses for deduction from taxable profits the accelerated depreciation of fixed assets, and the exemption from customs taxes and duties of the parts and equipment needed by basic industries during their period of infancy.

As part of cooperation as a basis for economic progress, we welcome foreign investments in the Philippines as a necessary complement to our own resources. But this does not absolve us from the fact that our economic development is ultimately our own responsibility. Foreign capital is a help, and a welcome help, but it can never be a substitute for Filipino effort. The magnitude of our responsibility expands to its true perspective when we think of the character of the investments that must be undertaken in the future. In contrast to the light and finishing industries that have emerged within the past decade, the industries which must rise henceforth will entail heavier investments in fixed assets and more intense utilization of domestic raw materials. This calls for a large reorientation of prevalent attitudes of our businesses, for more depth and thoroughness in their planning, and for greater efficiencies in their operations.

Specifically, our businessmen must stress in their future activities the following elements:

First, the exercise of more initiative and aggressiveness in searching for new investment opportunities, especially opportunities for translating into specific projects the broad industrial areas which the government has singled out for emphasis under the Five-Year Program and which have been included in our Foreign Investment Incentives Bill. This aggressiveness is all-important. While the cost of mistakes in the more complex task of the future will be greater than in the past, the cost of timidity will be even heavier.

Second, the achievement of greater depth and rigor in their project planning, that is, their study of the market, of costs, of supply and manpower availabilities, and of financing sources and patterns. In view of their predictable need for heavy foreign financing, the quality and standard of these project studies must be high enough to qualify them for submission to any financial institution abroad.

Third, the availing of domestic and foreign sources of financing to full advantage. This element is related to the two others just mentioned. Although there is a need for making more long-term capital available to our businessmen, the more serious shortage prevailing at the moment is not that of long-term financing. It is the lack of adequate projects to finance. In addition to our government's financial institutions, particularly the DBP, GSIS and SSS, we shall soon have the Private Development Corporation and a subsidiary investment corporation of the Philippine National Bank to augment our sources of long-term capital. For our foreign loan requirements, we have the International Bank for Reconstruction and Development, the International Finance Corporation, the International Development Association, the U. S. Agency for International Development (A.I.D.), the Export-Import Bank, the Kreditanstalt and other banks in Germany, and various financial institutions abroad which we can use increasingly for financing our domestic projects. But our business sector must first draw up the projects, and design them according to required standards of quality and depth. We cannot stop to emphasize that the ability of our businessmen to command these resources for their ventures will be measured by the soundness and the quality of their plans.

Fourth, the exercise of care and foresight in their capital programs and the utmost efficiency in their actual operations. This is indispensable both for the profitability of the enterprises which our Filipino businessmen will set up in the future and for attuning our people to the discipline required of a growing industrial society.

The principal drive behind our future growth, therefore, must come from the Filipino businessman. It is for his support and his assistance that this Administration has drawn up its Five-Year Integrated Socio-Economic Program. The program is designed to bolster the competitive effort of our business sector on four fronts.

The first of those four fronts is the systematic program of government investment to provide the transport, power, irrigation and other facilities that our productive sectors will need in order to make their investment feasible and rewarding.

The second is the preferential provision of financing for the private projects which conform to the priorities of our economic development program and which fulfill the standards for project proposals which the government financial institutions will insist on.

The third is the grant of protection, chiefly through the instruments of tariffs and taxes, to young and growing Filipino industries to shield them from undue foreign competition in their infant stages. Let me repeat, however, a principle which this Administration has time and again expressed in the past: that tariff protection will be used not as a permanent support for inefficient industries but as a help for strengthening the competitive position of sound enterprises.

The fourth is the pursuit in practice of a policy which would encourage foreign equity participation in our developmental efforts preferably by means of joint ventures with Filipino capital and management. This last principle, while doing no damage to our policy of attracting foreign capital into the Philippines, will have the virtue of allowing Filipinos the highest participation possible wherever they themselves are willing and equipped to invest.

Having turned the light of understanding and cooperation in relation to foreign investment, we may now turn the searchlight to the broader and fundamental need for understanding and cooperation for economic progress. We start with the estimate that the Republic is at the crossroads of its economic destiny. We have cast aside the 12-year

system of controls because, apart from being a breeding ground for corruption, it had served its maximum usefulness and had begun to suffocate economic growth. The economic transition from a controlled economy to free enterprise was a hazardous operation but it is the informed consensus that it has been carried out satisfactorily. There is one thing we are particularly gratified about the successful shift in the pattern of the economy. Under the discarded system of controls, success in business and the country's growth were in the hands of the politicians. Now, under free and private enterprise, business success and the economic progress of the country are where they properly belong—in the hands of the businessmen.

The fact that business success now, as well as the nation's economic growth, depends primarily on the businessmen should be the beginning of understanding that should forge the necessary cooperation. We stand strongly on the proposition that we must keep the politicians, specially the nationally powerful politicians, out of business ventures, especially vital ventures. If these persons want to be politicians, let them be politicians but they have no business competing in business with legitimate businessmen. If these persons want to be businessmen, let them be businessmen but they should not at the same time be big-time politicians in order to use their high political positions and power in unfair competitions with bona-fide businessmen.

It should, therefore, be a matter of understanding that in proceeding against some big politicians who are at the same time businessmen, we are not against businessmen at all. Nor is there basis for the partisan calumny that the Administration is undertaking punitive action against those businessmen who were on the opposite political side.

To cite only one instance, the Jacinto family which promoted under the past administration, the P250-million enterprise for the establishment of an integrated steel plant and is known to have supported the opposite political group in the last polls not only has not been the slightest inconvenienced by the Administration but, on the contrary, forgetting politics and remembering only that this enterprise is good for the economy, the Administration gave assistance to the Jacinto project in the form of terms and credits in million which it could not obtain even from the past administration because this Administration is for helping businessmen and entrepreneurs, irrespective of political considerations, who can contribute to the harnessing of vast productive potential of the country to spread prosperity to all the inhabitants of our country.

We are only against one category—the politicians who, occupying high elective office, use their public trust and political power to advance their business interests. We are for helping all other businessmen, whatever their politics may be. If you are a businessman who is not holding elective public office, you can feel absolutely at ease in going about your legitimate businesses without being subjected to any inconvenience and the Administration will even help you with what it can in your problems and needs, irrespective of your politics, past, present or future.

We are against politicians who use high public office and political power to advance their business interests because these politicians are fixtures of the discarded system of controls when political power and influence was the decisive factor for business success. Because these politicians gave grossly unfair competition to the hardworking businessmen and thereby dampened the climate of fair competition that should pervade in the business community for the healthy growth of business and the prosperity of the country. We have sought, through means sanctioned by the Constitution, the law, and fair contest, to weaken the hold of these politicians in the business field precisely because we seek to protect and help the true businessmen because we desire that in the spirit of free private enterprise, business should be dominated by legitimate and hardworking businessmen and not by politicians whose only business know-how is using high political office and power.

Another thing that deserves understanding is that in order to make effective the system of free and private enterprise, particularly during the early period after the transition from the pernicious system of regimented economy, the Government should exercise firm leadership in order to bring about the maximum cooperation necessary for success in the tremendous endeavor of economic progress through freedom. It is this necessity that has constrained us to be firm in our actions and that has given rise to unjustified assertions of alleged dictatorial tendencies on our part.

The truth that merits understanding is that motivated by unselfish purposes, we maintain a broad-minded and tolerant approach to our responsibilities and problems. At the same time, we believe in the necessity for leadership in any endeavor of national magnitude. There are many factors that make leadership necessary and unavoidable.

First, there is the tendency of those who are adversely affected by the new system of free enterprise and who, thinking only of their interests and without regard for the general good, will resist the change and seek to frustrate the new system. Second, there is the rabid partisanship of well-placed politicians who would prefer the downfall of their political opponents above the general welfare. Third, there is the lack of sufficient understanding of the requirements and implications of the nation's economic effort on the part of those who, in their blissful state of inadequate understanding, would block the economic effort to make their own views prevail. Fourth, there is the apathy of so many who could be useful to the nation's drive but who would not lift a finger to help or would be indifferent to the failure of the program. Fifth, there are those who for one ignoble motive or another would engage in an effort to destroy the country's task. In the midst of such forces moving confusedly in all directions, cooperative effort would be unattainable unless a leadership is established whose own susceptibility to human error is compensated by the authority that is rightfully his as a trust from our sovereign people by the lack of selfish interest for himself and by the nobility of his motives for the general good of the greatest number. We believe, therefore, that without leadership there cannot be brought about the condition of cooperation which you acknowledge is the means to economic progress. Realizing this, it became our duty to act vigorously in order to bring about maximum national solidarity and cooperation which are necessary for the success of our economic program. We would not have received cooperation from the House of Representatives if we had not succeeded in our efforts to establish leadership in that august chamber. We are not receiving enough cooperation from the Senate because we have so far failed in our efforts in that body. Whether we finally succeed or fail, we shall continue our efforts to bring about national solidarity and cooperation in the Senate and wherever it shall be needed because during the time that we discharge our trust from our people it is our inescapable duty to do everything legal and proper to insure the success of our economic program because of our conviction that economic progress is the salvation of our people.

What is the cooperation that we speak of in our domestic system as necessary to implement successfully a program for economic and social progress? It does not mean either dictation or subservience. Neither does it mean lip-service belied by action.

Cooperation takes place in either one of two situations. For those who believe in the program and find no obstacle to lending their support thereto, cooperation occurs in the normal course. For those who may not believe in the program or have some inconvenience in supporting it, cooperation would still be possible through an acceptance of the decision of those in whom the power of decision is constitutionally and statutorily lodged in our system ruled by law, after an opportunity is accorded for an exchange of ideas and views. It is obvious that all cannot be right in a conflict of views. It is certain that those who had made it habitual to attack and oppose the Administration in the implementation of its program are not right in all their views. Likewise, the Administration may not always be right in its decisions although it may be convinced in the soundness of such decisions. All that can be done by human leaders is to endeavor to reach the right decision and action and all that they have been afforded as the means for doing so is an exchange of ideas and views; and out of the divergent ideas and views, some official or office has been assigned by the rule of law the authority to make the decision for the general good on the country. This is the way towards cooperation, otherwise there would be destructive conflict, confusion and failure in the handling of complex problems and programs.

This is the way through which we have sought the necessary cooperation for the success of our program; we believe it to be the legitimate and the only possible way. In pursuing this manner of duty to achieve cooperation, we declare that it is our deep belief that without national solidarity and cooperation, our ambitious economic program cannot succeed; that, therefore, it is our duty to bring about maximum national solidarity and cooperation; and that in doing this and in making the decisions where the rule of law assigns to us the authority to make them, we are ready to assume full responsibility for our decisions. Specifically, if we are given the necessary national solidarity and cooperation in the implementation of our program, if we succeed, the credit shall justly be shared by us all, but if we fail despite the solidarity and cooperation extended to us, we alone shall assume responsibility for our shameful failure to our people.

We trust that there is one thing that will be understood by all. It is the fact that the Administration has concentrated on economic progress as the main task of the Nation. No administration has done this before and there is no probability that one would do so in the near future. This in itself poses a challenge particularly to the Filipino businessman. The Administration has adopted officially a five-year integrated socioeconomic development program. We have asked Congress to concentrate on economic legislation. We have filled our Cabinet with leaders

possessed of economic orientation. We have surrounded ourselves with a staff of competent economic thinkers and leaders.

We venture to say that no President has depended more on the counsel of business and economic leaders than our self in running the affairs of the Nation.

We have done all this and more because of our creed that it is only by a faster and full rate of economic growth that we can solve the multiple and complex problems of the country and be able to give a chance to all our countrymen to attain a higher level of livelihood. This Administration aims to give the chance of generations to our people to effect a breakthrough out of the poverty and misery of the bulk of our population. It is a tragic and disgraceful parade that in a land that can comfortably support 100 million people, a population of less than 30 million is, in the main, languishing in poverty with small portion enjoying the boon of modern living. There is only one thing to do if we are to do our duty. We must unite in a national endeavor to bring forth as fast a rate of economic growth as our national resources and human endeavor can humanly achieve. To do less is to fail in our duty. Considering this rare opportunity given to the country and its future, to obstruct those who could pour out their soul and energy into the imperative undertaking for economic progress is to commit treason to the welfare of the Nation.

The main challenge is addressed to the Filipino businessmen. It is only the authority of the necessary government leadership that constitutes the limitation to the authority of the businessmen as the ones who are primarily responsible for the conduct of business and the operation of the economy in the pursuit of our goal of economic progress. The exercise of that government leadership is intended merely to assist you, the businessmen, in discharging your responsibility as the prime leaders and determinants in our economic and business life. This government leadership seeks to assist you to obtain the laws that you need from Congress; it seeks to provide to you the needed infra-structure facilities in a maximum and most efficient state; it seeks to so organize public credit as to make it available to you in the most equitable and useful manner. The rest is your task and responsibility—and it is the substance of the task; the making of investment plans, the investment of capital, the able management, the fair competition and the consideration for the general good of the economy and of the people. It shall be your particular task and responsibility of directing the country's resources into those industries for which our standing needs are highest, and in the light of the participation of friendly foreign investments in our growth, yours shall be the challenge of establishing yourselves in the predominant and dynamic force behind our own country's development.

Indeed, it is the inevitable result of the shift from controls to free enterprise that the businessmen should assume the main responsibility for our economic progress. Under controls, the success of the economic effort depended on the government. Under free enterprise, the success of the economic endeavor depends on the people generally and on the businessmen particularly. In free enterprise, the Nation stakes the growth of the economy in the hands of the people and the businessmen. The system seeks to exploit the creative power of freedom which is the people's right. This right is at the same time a responsibility not to misuse it or to waste it by default. You, the businessmen, as the leaders of the people in the field of economic activity and growth, have it in your hands, in the system of free enterprise that we have agreed to adopt, whether to use your right of freedom and use it well or whether you will waste it by inaction or by deficient initiative, risk acceptance, activity and persistence in the utilization and development of our abundant natural and human resources. Convinced that we in the government will do our part, we conclude in candor that if free enterprise shall fail to give us the economic progress that we seek, you the businessmen shall bear the prime share of the infamy but if free enterprise shall succeed, as we pray and feel that it will, then both the profit and the glory shall be yours as the true leaders and builders of this Nation in a system of freedom.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal during the Graduation of Trainees

Address of His Excellency Diosdado Macapagal President of the Philippines During the Graduation of Trainees

[Delivered at Fort Magsaysay, February 23, 1963]

The Trainee

Military

I WISH to congratulate you, trainee graduates, for having successfully completed a rigid and intensive military training course. Likewise, I congratulate your parents who have endured the hardships imposed by your absence from home in order to see you fulfill your obligations as upstanding Filipino citizens. I wish also to express my appreciation to the Governors and Mayors of the provinces and communities where you came from for their contribution to the efficient administration of trainee selection in coordination with the Armed Forces of the Philippines.

To the officers and men of the Armed Forces, I give my congratulations for this continued effort to discharge that paramount responsibility to defend our land from its enemies from within and from without and to support the Nation's policies abroad. Our people expect nothing less than the effective accomplishment of this mission. To General Ernesto Mata and the personnel of the First Infantry (TABAK) Division, I offer my congratulations for keeping this unit, a major command of our Armed Forces in a high state of efficiency and combat readiness.

Twenty-two years ago before any of you were born, our country was thrown into a world-wide conflict in which, but for the courageous stand of free men, the forces of tyranny almost triumphed. The gallant resistance of the Filipino soldiers in that conflict, under the most adverse conditions and in the face of a better armed enemy, earned the respect of the free world for our people. The great bulk of those soldiers who bore the brunt of battle within our shores were reservists like you who had been trainees. They were the product of the implementation of the National Defense Act which is the basic law for the procurement and training of our manpower for the armed forces.

Today on the occasion of the end of your training as citizen soldiers, you have followed in the footsteps of those heroes of that war. You are now members of the Reserve Force of the Armed Forces of the Philippines and for this I congratulate you and bid you Godspeed. Looking at your young and eager faces I feel a surge of pride and exhilarating assurance that if and when the time comes, you will heed the call to duty and live up to the glorious tradition of those who before you performed feats of valor and heroism in the fields of battle that we may today live in freedom.

I have a younger brother who was a trainee like you at the outbreak of World War II. Together with the other trainees, he was put in active duty as a private and sent to Bataan. He managed to survive the Death March. Now, he is living a modest life as a humble, government employee. Although he leads a humble life, he is respected by the community because he is a former trainee and veteran. I myself esteem him highly not merely out of love for a brother but because of his being a former trainee and veteran. Although in some ways I may be above him, including the fact that I am the president of our country, I feel that in one way, he is superior to me—in that he bears the high honor of being a former military trainee belonging to the elite, group of noble citizens, the trainees, who are ready at all times to consecrate themselves and even to give up life, if need be, for our country.

In a land of liberty like ours, the trainee is the bulwark for the defense and preservation of our freedom. In the possession of this responsibility and honor, you are the heir to the legacy of courage and patriotism from our heroes who offered their sacrifices and their lives in order that we shall be a nation of free men.

The trainee is the heir to the heroism of Lapu-Lapu who fought to oppose the subjugation of his people by a foreign invader whom he killed in combat. You are heir to the patriotism of countless Filipino leaders from all regions of our land who for over three hundred years revolted incessantly and even in futility against the oppressive might of the foreign master. You are heir to the valor of Andres Bonifacio who, despite the lack of arms, dared to challenge a world imperial power for the emancipation of his people. You are heir to the sublime selflessness of Gregorio del Pilar who, knowing that he was facing overwhelming odds, held his ground because the death of some was needed for the victory of the cause. You are heir to the qualities of Emilio Aguinaldo and Antonio Luna and to the tenacity of Miguel Malvar. You are heir to the gallant men in Bataan and the Death March and to our heroic underground fighters whose blood and tears made it possible to restore the freedom of our land from enemy occupation. You have a rich inheritance of courage, heroism and patriotism from those who have gone before you in the defense of our Nation.

With your training, you are now better prepared to assume your role in your respective communities and to contribute your share in the national effort to promote the prosperity of our countrymen.

The main efforts of our Administration are geared toward the improvement of the living conditions and economic well-being of the common man. We are increasing the tempo of our economic development so that our people can enjoy a better life out of the fruits of our rich and beautiful land. All our energies are directed towards this goal—to uplift the common man from his misery and poverty so that this land shall not be the monopoly of a privileged few but a country that spread the blessings of a good life to all the people.

We must have the ability and willingness to sacrifice in this task of nation-building. Unless we take positive steps to improve our economic development, we can never hope to provide for a strong national defense. With an eye to this end, the main effort of our Administration is geared towards the economic well-being of the common man through the vigorous implementation of a socio-economic program.

It is gratifying to observe that the Armed Forces is contributing its share to this national undertaking. The new settlements and agricultural areas opened with its assistance, the feeder roads constructed by its engineers, the vocational-technical activities promoted by its leaders and the helping hand it extends to the people in times of calamities are but a few examples of what it is doing by way of contributing to our mission of providing, a better life for our people.

While providing our youth with the required military training, we also teach them various trades and vocation among others, farming, animal husbandry, operation and repair of tractors and heavy equipment. The military training of our youth help attain some of our goals, namely: the eradication of corruption and delinquency since military training infuses in the youth a greater sense of discipline, patriotism and civic-mindedness; the creation of conditions that will provide increased incentives to our people to pioneer in new fields of endeavor; and the encouragement of our youth to meet the challenge of the time—to become morally upright, mentally alert and physically strong. We are confident that as our trainees become conscious of their responsibilities as citizens of our Republic, they can be expected to turn their energies to activities that would contribute to national progress.

Today, as an independent and sovereign nation, our country is faced with even greater obligations in the development of her defense forces not only for internal security but also for the fulfillment of her international responsibilities.

You have inherited a land of freedom fit for a noble destiny in the annals of mankind. It is your responsibility and honor to consecrate yourselves to the cause of making your country achieve its destiny and become the home of prosperous and happy people. Your Government has embarked on a program of rapid economic and social progress that will provide one of the highest levels of living for our people in our region of the world. With national solidarity and dedicated leadership, this endeavor, although difficult, is within reach of accomplishment because with our population now less than 30 million, God has blessed us with land, resources and national wealth that, properly organized, can provide a prosperous life to even 100 million inhabitants.

With its vast economic and material potentiality and its invigorating spiritual heritage of freedom and heroism from its forebears, the Filipino people after four hundred years of bondage and repression are now achieving their rightful personality among nations and playing an expanding role in international affairs. After many centuries of anonymity and ineffectually, it is unmistakable that the Philippines is moving perceptibly and inexorably towards its just destiny in this part of the world.

It is significant, in this connection, that our national budget provides for national defense expenditure second only to that for the education of our people. This defense expenditure is necessary not only because the success of other governmental functions depends on the maintenance of peace and order but also because we must accelerate the military training of our youth pursuant to the National Defense Act in order to amply prepare them physically and mentally to discharge their duties as citizens now and in the future.

Upon assumption of office, it was with dismay that I found that the Philippine Army is today training only 4,500 trainees annually. In the face of the massive communist offensive to dominate the countries of the world, and of the growing responsibilities of our Nation, this build-up on our part is so pitifully inadequate that I shall be remiss in my duties if I do not urge the speedy provision of adequate trained manpower for our national defense. I call upon Congress now in current session to discharge their share of our common responsibility in remedying this perilous deficiency for the security and future of this Republic.

The defense of the state is a prime duty of our government and in the fulfillment of this duty, all citizens must be required to render personal military or civil service. These are the mandates of our Constitution. Pursuant to these mandates, our National Defense Act requires the training and maintenance of a trained reserve that is ready to respond to the call of the colors, when necessary. This is a duty that we must keep in mind and implemented at all times.

Meanwhile we in the Administration have endeavored to strengthen the morale, efficiency and capability of our armed forces. We enforced the law in the armed forces without favoritism and discrimination. We respected seniority and merit in the appointment and promotion of officers and increased their pay.

Above all, we attended to the well-being of the enlisted men. One of my first acts as President and your Commander-in-Chief which gave me a feeling of intense joy was to increase substantially the pay of our enlisted men. We have also embarked on a program to provide better living quarters for the enlisted men and their families. We have given special attention to the enlisted men because we believe that the common soldier is the core of strength of the armed forces and that in life to the common man of our country through the economic and social policies of the Administration, we must also give the same manner that we give primacy to providing a better preferential attention to the needs, problems and well-being of the enlisted men. Our policy in this regard has been rewarding as shown by the fact that soldiers who retired from the organization in previous years have been re-enlisting because of the importance, service and attention that the present Administration has given to the interest and welfare of the members of the armed forces.

To enable our people to meet the challenge of their destiny among nations, we must continually maintain the endeavor already started of building our country's material strength and conditioning our manpower to shoulder the responsibilities of the future. To do this, we rely on the youth. We rely on you. Gratified by your performance in the training that you have just undergone, we are grateful to Divine Providence for the feeling that the Filipino youth shall be equal to the noble heritage of our people in the past and will be more than equal to meet the severe challenge of an even more glorious future for the Filipino race.

In time, your mission is not ended with the completion of your training. Your responsibility has just begun. Your obligation now is how to put to good use the training that you have acquired during the few months that you have been subjected to the rigorous schedule of military life and adapt them to the civilian efforts so that the power in your hands, gained through the knowledge and insight of discipline and military organization, may be multiplied a thousand fold to maximize and fully accelerate our march toward economic, social and spiritual progress. Thus, you will be contributing to the development of a people that looks forward to the service of mankind, to the

strengthening in word and in deed of the cause of freedom for which your predecessors have fought and died and to the building of a strong and glorious Nation. May God bless you and may He bless our great country.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal at the opening meeting of the 19th Session of ECAFE

**Address
of
His Excellency Diosdado Macapagal
President of the Philippines
At the Opening Meeting of the 19th Session of ECAFE**

[Delivered at the PHILAMLIFE Auditorium, March 5, 1963]

ECONOMIC ABUNDANCE THROUGH FREEDOM

ON BEHALF of the government and people of the Philippines, I am pleased to welcome to Manila the delegates, advisers and observers from the member countries of the Economic Commission for Asia and the Far East, from other member States of the United Nations, and from various international organizations. We wish to thank you for accepting our invitation to hold this session of ECAFE in our capital city and we hope that you will find your stay with us both pleasant and fruitful.

The Philippines is one of the staunchest adherents of the United Nations. We had the honor to be one of its founding members in San Francisco. One of our countrymen became the President of the 4th General Assembly—General Carlos P. Romulo, the first Asian to be elected to that exalted post. In 1950, when the world organization called for united action to put down aggression on the Asian mainland, ours was among the first member States to answer the call by sending a Filipino contingent to the distressed country, in spite of the stringency of our financial resources. In that year, too, it became our privilege to be one of the co-sponsors of the historic Uniting For Peace resolution which bolstered the efficacy of the organization in the event of inaction by the Security Council in the face of a threat to international peace and security by authorizing the General Assembly to take recommendatory action. We regard our permanent delegation to the United Nations as one of the two most important diplomatic missions in our foreign service. Our delegates are active in various organs and agencies. Philippine delegates have been elected to serve as Chairmen of the main committees of the General Assembly, and we have served in all the three Councils—the Security Council, the Economic and Social Council and the Trusteeship Council. In the Trusteeship Council, we have consistently and stoutly given our support to the right of self-determination of peoples. We have bought United Nations bonds for the operation of the organization. Today, we have another military contingent in the Congo under United Nations auspices. We have done all these because of our conviction that the United Nations is so far the best hope of mankind for the preservation of peace and for the protection of the rights of small and middle-sized nations. Because of our faith in the peaceful purposes of the United Nations, we have solemnly pledged support to it in the furtherance of those purposes, and in the fulfillment of that pledge we are ready to offer all that is within our power to give—in complete honor, and if need be, with our blood.

In line with our steadfast support for the United Nations and its agencies, we have been particularly happy to be associated with ECAFE. One of the earliest ECAFE sessions was held in our summer capital of Baguio in 1947. Since that time, we have played host to various committee meetings on such topics as trade promotion, water resources development, highway safety, etc. Now we are honored to become host to an ECAFE session for the second time. As a token of our appreciation for thus being honored and of our support for ECAFE, I ordered the release today of the sum of P200,000 as the first payment on our financial participation in the Mekong River project of ECAFE. I express the sentiment of our people in stating that while supporting the United Nations generally, we are particularly ready to do our part to promote the objectives of ECAFE and to insure its success.

We are particularly enthusiastic about ECAFE because we are in the throes of wrestling with problems, some of them age-old and others the results of modern conditions. We are doing this by means of a 5-year program of economic and social development which I launched last year upon assuming office and which has been adopted officially by our Congress as this country's development plan. While our direction and goals have been firmly set and a good start made, we have a long way to go and I would not wish to minimize the magnitude of the problems that confront us.

The developing and the underdeveloped countries of our region have had to learn one hard lesson of economic development. It is that we cannot measurably raise our standards of living unless and until we reach and pass the threshold of industrialization. An exclusively or preponderantly agricultural economy is synonymous with economic backwardness and servitude. If we want more and better food, clothing, homes, schools and hospitals for our peoples, we must in some measure industrialize. We must abandon the romantic idea that our God-given specialty is the production of rice, sugar, copra, lumber, rubber, coffee, tea, etc., while factories and trade and transport are the business of the economically advanced countries. For this is precisely the attitude that will insure that they will continue advancing while we remain retarded.

We Filipinos take pride in certain things. We take pride in having led the first national anti-colonial revolution in Asia. We take pride in our political system, by which orderly changes in government are brought about by the free expression of the will of the people, by votes and not by violence. For our struggles against imperialism and militarism we have repeatedly paid a heavy price in blood and treasure, but we have never stopped to count the cost. These we believe to be among our major contributions to modern Asia. The qualities which sustained us in our struggles for liberty in the past are now marshaled in the struggle against poverty, ignorance and disease.

Fortunately, this is a struggle which we share with all humanity, and in which we march hand in hand with other countries and especially with our neighboring countries in Asia.

Economic and social questions have become the major concern of governments everywhere. This is especially true of Asia which, because of rising population pressures coupled with rising expectations, is beset with problems of economic development more serious than those confronting any other region of the world. Fortunately, ECAFE after seventeen years of existence has become the greatest meeting ground for Asians for the study and discussion of such problems. In ECAFE, individual nations learn that they are not alone in facing the problems of economic growth. They have an opportunity to discuss these problems with other countries similarly situated, so that out of these deliberations—the most comprehensive economic deliberations concerning Asia—shall emerge sound studies as well as concrete proposals to assist the countries in the region in overcoming the obstacles to growth.

It must be a source of pride to all of you that, as I have been told, ECAFE resolutions never need a show of hands; they are always passed unanimously. That so many countries with diverse political systems, varying cultures, racial origins and widely differing traditions should be able to arrive at such a fruitful consensus is indeed heartening. It proves that it is possible, in an atmosphere of good faith and good will, to enlarge the areas of cooperation amongst us and to reduce the margins of discord—provided, always, that we bear in mind the purposes and principles of the United Nations as well as the specific goal for which ECAFE was founded.

We are all learning the lessons of economic development together—the developing countries as well as the highly industrialized countries, those of the East and those of the West, those whose economies permit a minimum of government participation as well as those that rely in extensive government intervention in the economic process. There is no single answer to the economic riddles that face us. We have found out that there are many approaches to a problem and that each of these approaches has its own virtue to recommend it. It is probably encouraging that the end-result in most Asian countries has been a mixed economy, with the government involved to a lesser or greater extent in the production and distribution of goods and services. This practical result must surely signify that national leadership in Asia today is neither committed to rigid formulas nor bound by pre-conceived systems, but is pragmatic and experimental, adopting those methods best suited to each country's situation and environment and discarding those which do not fit.

One beneficent result of the work of ECAFE is surely the fact that we have come to accept as a common article of faith our need for closer intra-regional economic ties. Such ties have been, for various reasons, rather tenuous in the past. They are growing at present and we hope that they will flourish in the future. While it may be premature to talk of an Asian common market, for instance, it is certainly not premature to talk of less sweeping sectoral arrangements in the economic field by which countries in the region can be drawn closer to one another. This is desirable not only for sentimental and political reasons, but also because the hard economic facts of life as they are unfolding in other regions compel us to think also along similar lines. A long-term study has just been made of the relationship between the ECAFE region and the European Common Market. Common market arrangements or free trade areas are growing not only in Europe but also in Africa, Central America and South America. At the same time,

discriminatory systems which cut across regional lines but which nevertheless have analogous effects continue to subsist, such as Imperial Preference.

Countries in our region may feel the need to forge some kind of economic arrangement in order to meet the problems posed by such regional and supra-regional groupings. This is necessary when such groupings encompass one kind of economy; for example, if they should be made up of predominantly industrial countries. But the need becomes all the more imperative when such groupings comprise countries having complementary economies. This is the case with the association of overseas territories to the European Common Market or the continuation of preferential trading arrangements by British Commonwealth countries. It is not only that there may be a diversion of trade from “economically non-aligned” countries, but that there may be a distortion in the productive structure of developing countries resulting from the diversion of funds from capital-surplus countries to associated overseas areas to the exclusion of those not so associated.

The economies of modern technology also seem to make it imperative that we seek foreign markets for our manufacturing industries. The scale of modern manufacturing often makes small national markets uneconomic and the expansion of foreign markets is therefore called for. We ourselves, after experiencing economic growth of about 6% a year in the early part of the last decade, found later on that our rate of growth was slowing down. It is clear from this experience that wider regional markets would raise the level of economic activity in various countries, and that supra-national sharing of markets is a topic that could stand extended scrutiny by ECAFE.

These are indeed weighty and pressing problems, and we are thankful for an organization like ECAFE which provides the best possible laboratory to devise ways of meeting them.

Earlier I spoke of our struggle for a higher rate of economic growth in our country. This is the only way in which we can achieve higher standards of living in Asia. Productivity must outpace the increase in population, for unless it does, our peoples are doomed to eternal poverty. This involves a constant struggle, a struggle against the lethargy of mind and body which, in many of our countries, has been encouraged by the heavy weight of tradition and by the free abundance of nature. It is a struggle, in short, by which we seek economic abundance *in* freedom and *through* freedom. In this endeavor, we are inspired by the conviction that there is no iron law which compels any Asian man or woman to accept the chains of political servitude in exchange for a bowl of rice. We hold that it is possible and desirable for an Asian to eat his bowl of rice in freedom and dignity. We hold further that over and beyond his bowl of rice, the Asian is entitled to enjoy the rights to education, health, culture and all the other freedoms proclaimed in the Universal Declaration of Human Rights.

To the achievement of this goal we invite your cooperation, our brothers and neighbors in Asia. We welcome you with warm hearts and we extend our hospitality to all who have come here in the name of the United Nations.

I wish you every success in your deliberations on the important questions inscribed in your agenda. It is now my great pleasure to declare open the 19th Session of the Economic Commission for Asia and the Far East.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal on the 66th Anniversary of the Philippine Army

**Address
of
His Excellency Diosdado Macapagal
President of the Philippines
On the 66th Anniversary of the Philippine Army**

[Released on March 22, 1963]

THE PHILIPPINE ARMY

I CONGRATULATE you once again as you mark another important milestone in the history of your organization. It always gives me extreme pleasure to attend the affairs of our armed forces. Indeed, I have been accused by our superficial critics of being overly solicitous of our armed forces. To these critics I say that we cannot be overly solicitous of our armed forces because while these critics serve their country only with words our soldiers serve their country with their lives, their sacrifice and their blood, and therefore to give attention to the armed forces is only to pay due homage to those who truly serve and build our country.

When I addressed you on this same spot last year—only a few days after assuming office as your Commander-in-Chief—you were then celebrating the 26th Anniversary of the Philippine Army. Today, you have reckoned your celebration as the 66th Organization Day of the Philippine Army. The change in the date of Army Day is realistic and appropriate. For this, you deserve the congratulations of our people and the esteem of your counterparts throughout the world. In effecting this significant change, you have deservedly and properly recognized and established your link with the military organization of the First Philippine Republic. You have justifiably traced your organization to the first nationally organized army during the revolution against a world colonial power in which was born the glorious tradition of the Philippine Army that in the defense of country, what is important is not the superiority of arms but the superiority of the fighting spirit which prefers to fight and if necessary die for liberty rather than live in slavery.

The change in the celebration of the foundation day of our Army from January 11 to March 22 gives due recognition to the heroic exploits of the Philippine Army under the over-all command of a military leader whose courage, fortitude, statesmanship and endurance have provided a glorious legacy and great inspiration to the Filipino soldier and have earned for him a place of heroism in our history next only to Dr. Jose Rizal and General Emilio Aguinaldo. The change is a fitting tribute by a grateful people to the father of the Republic of the Philippines, President Aguinaldo, who today in humility and sickness observes his ninety-fourth birthday anniversary in the Veterans Memorial Hospital, still firm and determined to live and witness our people enjoy the blessings of democracy in the atmosphere of plenty and prosperity to which the major efforts of our Administration are directed.

We wish to recall on this occasion that as soon as we assumed the challenging and exalted position of President, we intimated to our close associates that we desired to correct certain inaccuracies in our historical attitude. The fact that we used to honor General Aguinaldo as the president of the First Philippine Republic was not consistent with the celebration of our Independence on July 4. To correct this historical inconsistency, we signed Proclamation No. 28 providing for the commemoration of our Independence Day on June 12 in recognition of the fact that the day of our independence was not when another country chose to recognize our emancipation but the day when our people themselves chose to proclaim before the world in words written in tears and blood that we were one nation entitled to the natural right to liberty and independence.

We are gratified that the Philippine Army authorities have acted in consonance with our view by moving the commemoration of Army Day from January 11 to March 22. The proclamation of Independence Day on June 12, 1898, which marked our people's declaration and exercise of the right to self-determination and independence, was the fruit of the heroism of the triumphant Filipino Army which was conceived and organized pursuant to the Tejeros Convention on March 22, 1897 under the command of General Artemio Ricarte who became the Captain General or Chief of Staff of the Filipino Army.

It is fitting and realistic that we trace our independence and the establishment of our army during the revolution against Spain. It is a truth that invests our history as a nation with luster and glory that we were born to independent statehood in the throes of war and blood. We proclaimed our right to liberty amidst the drums of a libertarian war. The Filipino flag was pieced into a shape of beauty by patriotic Filipino women who joined their husbands and sons in meeting the dangers of military strife. The Philippine National Anthem was composed amidst the din and sound of rifle and cannon fire. It was in this setting of heroic conflict that the Philippine Army saw its birth as the liberator of our people from bondage. Our freedom and independence as a Nation were, therefore, not a gift from another country, no matter how benevolent, but it was a gift from the heroism of our soldiers and patriots and because our liberty was won with the blood of our soldiers and heroes, our soldiers, youth and all of our people shall be ready at all times to shed their last drop of blood to keep our precious boon of liberty.

Because of the valor and patriotism of your forebears, we have received the legacy of a great country which is rich in natural resources and richer in its heritage of heroism and ideals of freedom and justice. Our Republic is now achieving its respected personality among nations, expanding its role in international affairs and moving to its rightful destiny. In consonance with this growing responsibility, the Philippine Army must not only maintain its traditional efficiency but its capabilities. I renew my appeal to the Congress which is in current session to support the needs of the Philippine Army because by providing adequately for the needs and requirements of our army, we not only do honor to the glorious record carved by the Filipino army in the past in helping to give birth to our nation but we do our duty to insure the attainment of the glorious destiny which our nation faces in the years to come.

On this happy occasion, we are thrilled to reminisce over the glorious military tradition that is yours to uphold from our early history when Lapu-Lapu and his men fought to repel the invader. The quality of Filipino soldiery achieved international renown in the Second World War when, shoulder to shoulder with American servicemen, our soldiers withstood the onslaughts of an enemy superior not only in number but also in material support. You who fought in Bataan and Corregidor know poignantly the kind of combat that took place in those hallowed fields of battle. It was there where the Filipino soldier again proved his worth with service above and beyond the call of duty. His gallant stand in Bataan and Corregidor elicited a glowing tribute from no less than Sir Winston Churchill who declared in fitting homage that the Filipino soldier has no equal on the face of the earth.

We have noted with a sense of pride that your bravery and heroism have abided beyond the Second World War. The Battalion Combat Teams that fought as part of the United Nations Forces in Korea during the early fifties acquitted themselves creditably, thereby adding more glory to our military history. Their records are replete with awe-inspiring accounts of courage and gallantry in action on the part of many of our soldiers. Some of our BCTs which fought in Korea came home with flying colors. Some of them were recipients of the coveted presidential unit citations.

Let us also mention the exemplary devotion to duty and patriotism that you demonstrated recently within our own shores. If the Communist rebels are on the run today, it is mainly because you dealt them a smashing blow in the jungles of Sierra Madre, in the swamps of Candaba, in the foothills of Mount Arayat and in many other dissident strongholds. Banditry and other forms of dissidence in Mindanao and Sulu are negligible as a result of your intensive campaigns there not long ago. You have responded admirably whenever and wherever the free way of life has been threatened. Even in these times of peace our Army has been actively preparing for the fulfillment of its share of our military commitments to the United Nations, to the South-East Asia Treaty Organization, and to our friends and allies. You have contributed unselfishly not only to the national interest but also to the cause of other freedom-loving peoples.

In Fort Magsaysay, Nueva Ecija last February 23, we made reference to the fact that the major efforts of our Administration are geared toward the improvement of the living conditions and economic well-being of the common man. In this regard, we are elated to say that the Philippine Army, as a major command of the Armed Forces of the Philippines, is doing an excellent job in supporting our five-year socio-economic program while it continues to beef up its combat readiness and capability and thereby improve our national defense posture to the limits of the relatively meager budget which our economy can now afford.

While the achievements of the Philippine Army along its civic action activities, like rural development projects, construction of pre-fabricated school houses, rural resettlement programs, food production endeavors, assistance to

victims of natural calamities and the like, afford us no small degree of satisfaction, a greater portion of the work remains undone. While you streamline your units, for combat proficiency in the event of a defensive war, we ask you, officers and men, to remain ready at all times as soldiers of peace and, as such, continue to be looked up as the important cogs that you all are in the wheel that rolls incessantly for the building of a more prosperous Philippines. A more aggressive participation by Army personnel in the socio-economic program of the Administration is in itself an effective weapon against the forces of Communism.

Officers and men of the Philippine Army, your Organization Day is more than just an occasion for rejoicing or for the parade and demonstrations that we have witnessed here this afternoon. It is an occasion that should serve a more important purpose—that of focusing your attention once again not only on your sworn duty as men in uniform but also on your responsibility as citizens in a free society. The Philippine Army is known the world over as a truly fighting army. Our heroes who had carved the good name of Filipino soldiery, died with the firm belief that you, who have come after them will hold high the lofty ideals they fought for in the name of our country. This is an opportune day of the year for you to take stock of yourselves and undertake a constructive reappraisal of the manner in which you discharged your duties and responsibilities during the preceding year. Now is also the time for you to rededicate yourselves to the military service, to the service of God and country as well as to the common cause of the Free World.

As your Commander-in-Chief, I urge each and every member of the Philippine Army to face the coming year with a firm resolve to maintain at all times the lofty ideals and high standards of service that have earned for your organization a respectable position among other armies not only in Asia but also in other parts of the world. Let the people in all climes conclude that the Philippine Army is the equal in valor and quality to the best Army in the world.

Source: **Presidential Museum and Library**

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**Address of President Macapagal in response to Vice President Chen Cheng Address
of**

**His Excellency Diosdado Macapagal
President of the Philippines
In response to Vice President Chen Cheng**

[Delivered on March 22, 1963]

THE MENACE OF INTERNATIONAL COMMUNISM

MRS. MACAPAGAL and I are honored and happy to share this evening with Madame Chen and Your Excellency. During your short stay with us, our leaders and our people have been accorded the opportunity of meeting the representative of a great people, a staunch defender of freedom and the democratic way of life, and one whose brilliant record of achievements in the socio-economic and agricultural sectors of his country, is well-known throughout the world.

Your Excellency has made a very timely reference to the menace of International Communism which threatens not only our own two countries but the rest of the Free World as well. We are faced with a ruthless enemy; differences divide his camp, but these differences relate to the means and to the ultimate end of this modern imperialism. This ultimate end has been and still remains the eventual domination of the Free World. As one perceptive observer has said, our enemies may quarrel as to the procedure but they are all for the funeral.

We cannot be less vigilant and less determined on our side. Our differing and different national characteristics may dictate our differences on how to combat the enemy—but if we are to survive in freedom and in peace and prosperity for our people, we must all be united in presenting a single inflexible front against the blandishments and subversion of communism. For these reasons, we welcome Your Excellency's call for unity of purpose among the free nations of the world to help one another in every way possible to insure the ultimate success of the struggle against imperialist communism and the eventual predominance of the democratic way of life.

We are a newly-independent nation still struggling to erase the centuries-old poverty and ignorance of our people. Our Administration is dedicated to bringing about a virtual reorganization of the basic patterns not only of our political economy but also of our traditional behaviors and attitudes because we realize that nothing short of radical measures, albeit unconventional ones, are necessary to bring about a fuller abundance for our people and to secure to them the benefits of a regime of law with justice and freedom, for we are convinced that our people could only be made fully conscious of their responsibilities towards the common problems of mankind if they are first fully secured in their material and spiritual progress.

On this ambitious program, we have the encouraging and stimulating example of the people of Free China, who, driven with their back to the walls, as it were, fought back, under the inspired leadership of President Chiang Kai-shek and his dedicated associates, thereby showing to the world that peoples cannot long remain in fear, insecurity, and poverty if they have the courage and the determination to fight for their survival. As long as the stimulating example of Free China remains, as long as the indomitable courage of its people, on their embattled island, continues to defy their enemies, so long will other struggling nations of the world, facing similar life-and-death struggles, be encouraged and emboldened to look forward with confidence in the future.

Your Excellency, we have learned a lot from you and your distinguished company in your stay with us. We only regret that your sojourn with us has been too brief. I am particularly grateful that with your expert background, you have made favorable and encouraging reference to the land reform program which my Administration has just launched to provide freedom to the humble tillers of the soil, from economic and social bondage and to increase the productivity of our farmers for the benefit of all. We hope that the seeds of wisdom and inspiring leadership which you have brought to our midst will flower in greater cooperation and closer understanding between our two peoples. We are confident that, long after your visit with us shall have become a memory, the stamp of your personality and vigor and genius of the Chinese people, which you represent, will remain with us.

Excellencies, may I, therefore, invite you all to join me in a toast to the health and happiness of His Excellency, Vice President Chen Cheng, and Madame Chen and to the continued peace and prosperity of the people of Nationalist China.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal before the 10th National Convention of Manufacturers and Producers

**Address
of
His Excellency Diosdado Macapagal
President of the Philippines
Before the 10th National Convention of Manufacturers and Producers**

[Released on March 23, 1963]

**Integration
Economic
Development**

in

THE TEST of our age is the test of survival—not survival in war, where the weapons are the cannon and the bayonet and the stakes are victory or annihilation—but survival in peace, where the weapons are wisdom and decision and the stakes are economic prosperity or hunger.

Unlike the rich countries of this world, our aspirations are not primarily concerned with such grandiose aims as world dominance or the stretching of our spheres of influence or victory in the race for the moon. Our aspirations are bound up rather with the elemental requirements of a people's existence. We seek nothing more ambitious than the capacity to give our countrymen a little more food, clothing and shelter, to educate our young and to free our people from unnecessary disease and misery.

Yet though modest our desires, these are goals that can be achieved only through the most searing labors, for the hosts of poverty and ignorance do not fall at the sound of trumpets, nor are they vanquished by the mere statement of pious motives and noble intentions. Quite often, as in our country's case, the way to the fulfillment of these aims involves nothing less than a revolution, though a peaceful one, in the structure of the economy, in the values and thinking of our people, in the role that government and private enterprise are asked to play in economic development.

The Socio-Economic Program that we have presented to our people and to Congress assumes that such a revolution is a necessary ingredient in our economic growth. Its grand design is that it will seek to free in one great effort the economy from its traditional sluggishness, introduced a new dynamism into all its sectors, and lay the foundations upon which sustained prosperity can be built. Thus, the monetary and financial portion of the Program not only sets investment targets. It also underscores the fact that these targets are to be achieved only through a reform of our financial system—through the removal of investment bottlenecks, the development of new financial institutions and the provision of channels for the entry of foreign capital.

In the same spirit of change, our agricultural program aims not only to meet actual food requirements and expanding traditional export production. It also envisions the increase of agricultural production and land productivity to an extent sufficient to provide surpluses for industrial processing.

Similarly, our industrial program seeks to go beyond mere increase of industrial production. It aspires as well for an expansion in our production of finished, intermediate and capital goods to lessen our undue dependence on imports and for the virtual creation of an export industry dealing in manufactured goods as opposed to our exports of raw, unprocessed products.

Through the whole Five-Year Program runs this probing, daring finger of change and innovation seeking out the weaknesses and distortions in the economy, and laying down in clear unequivocal terms the decisions, the processes needed to set things aright. The commitment to growth through change is an evident hallmark of the Five-Year Program.

It is generally noted that our socio-economic program is for five years. What is not generally noted is that it is an integrated program, hence its full appellation is "the five-year integrated socio-economic development program." What I would like to focus attention before you is that the word "integrated" was deliberately used in our program for a purpose, that if change is an extremely persistent trait in this document, so, too, is the concept of integration.

The Program not only advocates change in the various economic sectors; it advocates change in an integrated manner. It prescribes for the improvement of one economic area measures that also enhance the attainment of the goals of another. Thus, the steps recommended to be taken under the foreign exchange program are intended not only to build up our dollar reserves but also to build up our pool of industrial capital. The financial and monetary program is conceived to work hand in hand with the fiscal scheme, not at cross purposes with it as happened in the past.

The Program's emphasis on change and integration is perhaps most eloquently illustrated in our scheme for the development of industry, the word as used being intended to embrace manufacturing, mining, construction, transport and communication. The industrial sector constitutes not only the major area of the economy into which are intended to be poured the greater bulk of our investments, the area where some of the most basic structural changes in the economy are intended to take place.

The capacity of agriculture to absorb our growing work force to provide jobs and food for our people, is comparatively limited. Industry alone can provide for the type of expansion that can allow us to meet the demands of a growing people pressing more and more upon the same area of land. The decision to increasingly shift primary emphasis from agriculture to industry is not so much a decision as the acceptance of an inexorable economic fact.

Because industry constitutes the major field of development under our Program, it is also in this sector where the greatest complementarity and integration in growth with other economic areas must exist. The programmed expansion in agricultural production, for example, must be conceived as a necessary process of industrialization since agriculture and industry must, in growing, provide each other with adequate markets for each other's products or else fail together. Development is primarily a process of growth in both productivity and markets. An increase in productivity can hardly be possible without a market to absorb the additional goods produced. And the expansion of a market without a corresponding increase in the amount of goods available can only result in an undue rise in prices. Thus, we accelerate agricultural growth, because in so doing we grant that sector the capacity to act as a more effective and adequate market for the products of an expanded industrial system. Conversely, we seek to foster industrial development because in so doing we widen the market for agricultural produce.

The integrated concept of industrial development is similarly demonstrated in the manner in which we have planned our five-year financial, fiscal, foreign exchange and public administration programs.

Our financial program aims at the reform of our financial system in order to dissipate bottlenecks to production and capital formation which may arise either through an inadequacy of financial resources or the inaccessibility of such resources as are available to priority economic ventures. It endeavors to provide the twin attractions of security and adequate return in order that foreign capital may be encouraged to enter the country either as loans or as direct investments in indicated enterprises. And it seeks to reform or to develop new financial institutions, instruments and procedures so our people may be encouraged to increase their savings and to channel such savings into industrial ventures.

Our fiscal program contemplates public investments of some P2.8 billion for power development, the extension of railroad and telecommunications facilities, irrigation and water supply, roads and highways not only to service the needs of the general public but also to enable industrialists to power their mills, open up wider markets for their products and reduce the costs of their production and marketing.

The foreign exchange program is designed to raise the country's foreign exchange reserves so the industrialist may be able to import his machinery, equipment and raw materials. It will continue to concentrate as well in stabilizing the exchange rate so the investor in industry may be able to program his expansion and operations in a more predictable manner.

Our public administration program seeks to place economic planning and execution on a more coherent and unified basis so that the various government units may work harmoniously within the over-all economic scheme and not frustrate each other's objectives. It will attempt to unify government policies on credit, tariffs, investments, commerce and other fields so that private businessmen may be provided with clear-cut landmarks and guideposts in the making of their own decision. It will strive to strengthen key government offices whose functions intimately relate to industry so that they may serve and facilitate rather than hamper the conduct of private enterprise.

Our commitment to the integrated approach in industrial development lies at the root of every government plan and decision bearing on this subject. Within the present legislative milieu, the government is exerting every effort to encourage, foster and spur the operation of all its components in a manner that would make their operations conform to the general pattern laid down by the program. But if the idea of integration is truly to be achieved, our action must not be confined to the existing legislative framework. Many of the more positive remedies called for by our economic problems can be brought into being only through the passage of enabling legislation.

In this thought we have presented to Congress a set of economic bills bearing on diverse topics—on domestic and foreign borrowing, investment incentives, reforms in our corporation, mining, banking, and commercial laws, governmental reorganization and, lately, land reform—all of which however, have been designed to complement or to remedy old laws or to create new ones so as to better fit governmental policies and action into our master plan for growth.

In the messages accompanying our twenty-six economic proposals as well as our recommendations on land reforms, we discoursed at length on the overriding reasons for their passage. But perhaps it may be worthwhile to view these proposals once more, particularly in the manner in which they are intended to further our plans for developing the industrial sector.

We have proposed the amendment of Republic Act 1000 to raise the government's domestic borrowing authority from one billion to two billion pesos. We have done so for many of the power systems, the roads, harbor and power projects that are intended to support accelerated industrial growth can be built only if the government is empowered to borrow more funds to finance their construction.

We have asked for the amendment of Republic Act 16 to increase the foreign-debt authority of the government and we have proposed the passage of an investment incentives bill. We have made these recommendations for it is only through the grant of such increased authority and through the provision of inducements to international investors that we shall be able to bring foreign capital into the Philippines in the magnitude desired. There is no legitimate misgiving for any misuse of this power because it can only be exercised to the extent that foreign credit institutions find a loan a worthwhile venture.

We have proposed measures designed to protect minority corporate investors and depositors of public savings institutions to encourage investment and savings on a more widespread basis. As the final step in our decontrol program, we have advocated the enactment of a selective raw materials export levy both as a source of the funds that alone can give life to our development program and as an incentive to the processing of raw materials into finished goods before their exportation.

The idea of integrated industrial development permeates even our program for land reform, the measure by which we shall seek to eradicate the festering inequity that has ruled the lives of our farmers for centuries. The land reform program seeks to increase the productivity of our farmers by abolishing tenancy, giving them economic, family-sized farms and providing them with adequate farm credit and agricultural extension services. The increase in the productivity of our farmers will enable them to increase their incomes and thereby absorb the products of our growing industries. Within the next decade at least, our farm population will continue to be the major potential for a truly mass market and any effort to increase their capacity to purchase goods will be reflected immediately in the tempo and vigor of our industrial enterprises.

At the same time, since the land reform program will strive to make the ownership of corporate securities in industry more profitable than mere landholding, it will thus encourage more and more of our agricultural landholders to shift

their investments from land to industrial ventures. Such a development would of course widen the base of ownership of our industries at the same time that it will make more funds available for the expansion of the country's complex of enterprises.

During the fifteen months that we have assumed the duties of national leadership bestowed upon us by our people, we have been guided in all our actions and decisions affecting the economy by the integrated concept of development embodied in the Five-Year Socio-Economic Program. Before this assembly of the nation's economic decision-makers, we reiterate our adherence to the targets, objectives, and policies set forth in that document.

Specifically, we reaffirm our belief in the oft-stated cardinal tenet that the task of economic development belongs principally to private enterprise and not to government. But while private enterprise is intended to be the prime mover in economic growth, the government also participates in our plans for progress. While leaving to the private sector the primary responsibility for investment, it is to government that the country must turn for that framework of laws and policies within which individual ventures may be able to flourish. There is in fact an inescapable need for the integration of governmental and business decisions affecting the economy. Enterprise is as much a creature of its environment as man is and it cannot prosper in a milieu which makes it impossible for business to plan for the future because economic policies are erratic or contradictory, or move into costly, virgin ventures because the government has not provided adequate inducements, or risk its fortunes in particular geographical areas because the government has failed to provide supportive public investments and developmental services.

In connection with the needed integration between the effort of the Government and the private sector, we may perchance mention the projects to establish steel plants in the country which are needed to give a spurt to manufacturing ventures. There are two ventures in this field, one the Jacinto project to put a P250-million integrated steel plant in Iligan and the other, the P150-million Sta. Ines steel plant project in the Rizal area in Luzon. Prior to our assumption of office, these projects had bogged down due allegedly to government indecision or inaction. As soon as we took over, realizing the importance of these projects to manufacturing and production, we lost no time in not only supporting these two projects in principle but in committing the government to grant the loans and guarantees needed from the government to push through these ventures. Frankly, and we hope we are wrong in our feeling, we feel that the government under our Administration has done and committed its part, but the vital projects have seem to bog down due to the slower pace of the private sector in doing its part.

We have made reference to the state of these steel plant projects to emphasize one fact: that the Administration, relentlessly and energetically pursuing the effective implementation of our five-year program, is eager and ready to do its part in assisting you towards more manufacturing production and other economic enterprises. Since our program is based on private enterprise, its success lies in your hands by matching and exceeding the Government's earnestness and pace of performance. Without doing your role, the Government's efforts, for all our sense of urgency and enthusiasm, will be in vain. But if we do our assigned parts together, assisting each other in every way, matching enthusiasm with enthusiasm, urgency with urgency, performance with performance, the dream envisioned in our program will inevitably materialize into the reality of profitable ventures for our businessmen and an abundant life for all our countrymen.

Finally, there is need for integration between the effort of Congress and the Executive. I speak to you on this need for integrating the objectives and decisions of the government and the private sector in the awareness that Congress as well as business and the public in general are deliberating on our set of economic proposals. Some of our legislative recommendations have been criticized because they would grant more effective economic mandates to the executive department. But the question is not whether these measures do constitute an additional mandate or not but whether they are needed to enable this nation to realize its dream of attaining prosperity within this age.

This Administration does not ask for more effective laws for the sake of economic power. You all have been witness to our decision to decontrol, a decision that took away from the hands of government the power of life and death over business and industry.

We know that control of foreign exchange was a source of tremendous economic power which meant also tremendous political power in our hands but we had no hesitation in giving up the power because we are not interested in such but in what is good for the people.

If your government has asked for certain legislative mandates it is because these mandates are right and proper and needed. For the unavoidable truth is that under any leadership, any party, the government must always be vested with that authority sufficient to enable it to foster the pace of growth, to point out economic directions, to nurture and encourage enterprise, to regulate business for the common good and to promote social justice and lessen inequities to the end that the economy may prosper and the people prosper with it. Without the mandates necessary to transform its plans into action, government will remain an ineffectual thing, standing helplessly by, rendered impotent by the inhibiting administrative shackles that prevent it from coming to the succor of a distressed economy, a suffering people.

Our people beset as they are with the elemental problems of survival cannot and will not countenance a government that will deliberately deny itself the instruments necessary to lift our people from their bed of misery. An abdication of authority in the face of a demand and a necessity for strong and decisive leadership is—in its most tragic sense—a betrayal of the waiting millions who have reposed their faith in us.

This Presidency will not betray that faith. It will not shirk its responsibility of leading this country decisively and surely. And it will not cease to seek those legislative mandates and exercise those legal powers that alone can enable government to redeem its pledge to act as a true partner to business—to help businessmen and industrialists help themselves—to dissipate the social wrong and economic ills that hamper growth and deepen inequity—to forge the plans and programs, policies and decisions of the various economic sectors into an integrated, dynamic mould and thereby right the economy and start it surely along the road that leads, we pray to God, to our long-cherished dream of peace and plenty, not only for a few, but for all our people.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal at the PMA Graduation

Address of His Excellency Diosdado Macapagal President of the Philippines At the PMA Graduation

[Delivered in Baguio, March 24, 1963]

AFTER GRADUATION

WE ARE THRILLED as much as anyone to participate in the graduation exercises of the institution in which are reared the Nation's military leaders. We congratulate General Orobia and the faculty for turning out this impressive group of graduates. Above all, we congratulate the graduates and their parents who have sacrificed for them. Special felicitation goes to a graduate whose excellent performance not only merited for him the highest academic honor but has highlighted the indissoluble bonds of friendship and comradeship between his great country and our country—Cadet Eckwood Solomon, Jr., of the United States.

Indeed, it is a rare privilege for you to graduate from the Philippine Military Academy. Your alma mater has already produced outstanding military leaders who have capably and gallantly upheld the defense and security of our country and whose names are now inscribed in the Nation's roll of heroes. It is your duty to follow in the trail that they have blazed for you; and it is the challenge that you face to blaze new and even improved trails of devotion to duty and heroism in the unknown jungle through which our Nation must pass to its rightful destiny.

Until the moment of heroism strikes for you in your forthcoming career, there are many ways in which you can render outstanding service to your country which is not given to the average citizen. As an officer of the army after your graduation, you have an opportunity to contribute in a distinguished way to the task of nation-building in which we are all engaged. While doing your duty in keeping law and order or in strengthening our defenses, you should perform beyond the call of duty by helping our countrymen who come your way when you can assist and guide in order that they might find their rightful place in the sun. Inspire them and show them the way. In so doing, you can find joy in the thought that, through your efforts, you have perhaps soothed a sore spot and turned potential desperadoes into law-abiding and useful citizens. In this manner, you are making easier your prime task of maintaining law and order and strengthening the national morale to meet any emergency.

At this stage of our national development, it is not enough that the army protect our people from within and without. You must avail of every opportunity to share with our countrymen their hopes and aspirations. You have been trained in problem-solving, which training and proficiency you should use to the full for our people. You may show them, for instance, how best to build a *camarin*, or where to sink an artesian well, or how to get the mayor to act on a petition and how to do countless things with the superior education and training this Academy has provided for you.

We in the Free World live to build, not to destroy; and we have armies to protect what we build and uphold the freedom that we enjoy. In the Philippines, our armed forces have not only been called upon to protect, but also to help build the Nation. To this end, the military organization has embarked on a project designed to make the armed forces as self-sufficient in its food requirements as possible. This project is known as the Socio-Economic-Military Projects or SEMP, and we are happy to say that it has been a great help to the government not only in the form of savings but in giving our soldiers the necessary knowledge and training in undertaking productive enterprises.

The Armed Forces of the Philippines can go farther than that and take an active part in the intellectual and moral upliftment of the Nation. In this job, we need soldier-scholars, men with a wide range of knowledge which, while beneficial to military science, can be effectively geared to our national efforts of reorienting the attitude of our people to meet the challenge of democracy and enabling them to tread the path of economic, intellectual and moral progress.

One way of making the soldier-scholar in this institution is to foster among its students a consciousness for research that will make them seek knowledge far beyond the scope of their books. Maybe a cadet could be required to produce one study each year. For instance, a province-by-province study of our country like a history of Mountain Province, or an economic study of Cagayan or a terrain study of Palawan or a treatise on folklore and customs in Bukidnon or papers on the tactics used by Lapu-Lapu in the Battle of Mactan, General Del Pilar in Tirad Pass, and the other Filipino generals during the days of the Revolution.

Up to this day, our Armed Forces do not have any historian. The AFP has yet to come out with a history of Filipino participation in the last World War which should be interesting to the present and the coming generations and important to our planners. In other countries, even units as small as a battalion have histories to speak of.

These are but a few of the problems which the Armed Forces of the Philippines can attend today. It is to be hoped that from among you, the graduates, will come out in the years to come one or two or three soldier-scholars, historians, scientists and economists who will fill the vacuums existing in the Armed Forces today and who will add luster to the PMA's already glorious heritage not only in the field of battle but also in other fields of knowledge dedicated to the building of a strong and great nation.

One thing that we trust you know is that you belong to a noble race with a great history and with an opportunity for an even greater future. In the love for liberty, the Filipino people is second to none. Our forefathers were tribal kings who sailed in dangerous seas to our shores in order to escape despotism in other Malayan lands. It was not a surprise, therefore, that the first known Filipino hero, Lapu-Lapu, defied the Spanish conqueror, Ferdinand Magellan, in the island of Mactan in 1521 and killed the invading warrior in combat because out of his love for freedom, Lapu-Lapu could not accept the subjection of his people to foreign rule. The annals of our final subjugation to alien rule through superior force of arms for over 350 years are littered with countless and suppressed revolts which refused to be permanently suppressed because the Filipino people would never accept willingly and supinely the deprivation of their liberty. Finally, in 1896 Andres Bonifacio and Emilio Aguinaldo started the successful revolution which culminated in the proclamation of Philippine independence on June 12, 1898.

It was in that bloody revolution when a united Filipino Nation was born to independent and sovereign statehood, inspired into unity by the sublime martyrdom and patriotism of the Malayan and greatest Filipino hero, Dr. Jose Rizal. It was then that the Filipino flag was pieced into a shape of beauty by Filipino women who joined their husbands and sons in facing the dangers of belligerent strife. It was then that the National Anthem was first heard amidst the din of rifle and cannon fire. As American independence was not a gift from England but was a natural right of the American nation to liberty proclaimed by American heroes on July 4, 1776, Philippine sovereignty and independence was not a gift from another country but was the natural right of the Filipino Nation duly proclaimed by Filipino heroes and earned through their heroism, sacrifice and blood.

Fate later placed the Philippines under the magnanimous tutelage of the United States in democracy. Neither the American magnanimity nor the material benefits derived from American rule could suppress the Filipinos' love for liberty. Finally on July 4, 1946, the United States, a champion of the freedom of all peoples, recognized the independence of the Filipino Nation as England finally recognized American Independence in 1783.

That was 17 years ago when the Filipino people separated from the household, as it were of their foster-father and tutor in democracy. Now, although our respect, gratitude and affection for our foster-father and tutor subsist and will endure, we have to live a life of our own. Now, our future and destiny are mainly in our hands.

Fortunately, we are not without resources in the maintenance of our own independent life. We are a middle-sized nation of thirty million people. More fortunate than most nations in the world today, we have land and natural resources which can comfortably sustain a population of one hundred million. We have a rich spiritual heritage from our galaxy of heroes whose acts of sublime patriotism are comparable to those of any nation in the history of man.

Above all, our traditional love for freedom has become a way of life. More advanced in democratic practices than many of our neighbors in Asia because of our fortunate American tutelage, our passion for liberty is second to none not only in Asia but all over the world. That is why we have dared to prosecute our program of economic and social

progress in freedom at a time when other nations around us are losing their freedom, and more importantly, why our daring pursuit of progress in liberty is making headway to the surprise and amazement of the world.

In synthesis, you belong to a Nation who is entitled to a sense of greatness from her noble past and who has a place of her own in the common search for peace, freedom and prosperity in its God-ordained sphere. This is not a Nation whose voice was meant to be ignored or to subconsciously echo that of others. This is not a Nation that will stay subdued in the shadow of an anonymous and a colonial past but will seek the sunshine of a new role and responsibility among nations. This is not a race who will keep its silence in the face of arbitrary transfers of rights to which it is better entitled in favor of those who have inferior or no rights at all. This is a people who will not resign itself to poverty and misery who will not be lulled away from the required herculean effort by centuries-old and foreign-cast habits of complacency.

This is a Nation willing and capable of greatness and of the qualities demanded by such greatness. Our country's quest for prosperity in freedom and rendezvous with greatness demand character, hard work, organization or discipline, sacrifice and patriotism. You have these qualities; and all our people have them although in some the virtues are latent, because of the lethargy induced by centuries of unshackled bondage. After you come out from the academy, summon these qualities that you possess and arouse them in those of our people in whom these virtues are superficially dormant, awaiting only an awakening from dedicated youth and leaders. As the present constitutional leader of our Nation and giving voice to the aggregate cries of our heroes from the birth of time to the present moment, we call upon all our countrymen here and everywhere to bring forth out of their noble natures mighty exertions of hard work, character, unity and sacrifice so that together we shall, in this finest hour in our history, erect upon the foundations of our glorious past a better and greater Nation which shall be able to provide the needs of all our people for an abundant life in freedom and, at the same time play a role not without distinction and glory in the collective search of nations for a life of peace, justice and well-being for all mankind.

This then is the nation to which God gave you the privilege of birth. It is at this stage in its role in mankind when you graduate from this institution, excellently equipped to do your part in accomplishing the Nation's task. You face not only a field for service, not only a chance for heroism, but also a limitless opportunity for greatness as the Filipino Nation moves onward, blessed by the grace of God and sustained by the qualities of its people, to fulfill its rendezvous with destiny. May God bless you to become worthy of your rare opportunity which is not given to every man and to every generation.

Source: **Presidential Museum and Library**

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Address of President Macapagal before the United Philippine Coconut Association

**Address
of
His Excellency Diosdado Macapagal
President of the Philippines
Before the United Philippine Coconut Association**

[Delivered on March 30, 1963]

PROBLEMS OF THE COCONUT INDUSTRY

WE ARE GLAD to be with you in this convention. It is time that more serious attention be given to the coconut industry. Coconut is one of our greatest industries, the largest producer of foreign exchange and apparently the largest employer of labor. Yet despite this peerless importance of the industry, it has paradoxically not been given the attention that it deserves. In the system of free and private enterprise that we have evolved, the development of the industry is mainly in your hands. Because I believe that the industry has been neglected, I pledge the full support of my Administration to the needs and problems of the coconut industry.

In our conferences with business leaders and in our talks with our countrymen living in the coconut regions, we are gratified to be told that our decontrol program has already benefited those who are engaged in the coconut industry by considerably increasing their income for they now receive the real value of their produce. While this is to us a source of satisfaction because of our conviction on the value of the coconut industry to our people, we are not yet satisfied and we are ready to do more to assist the industry in increasing the profits of those engaged therein and in spreading its boon to the rest of our countrymen.

We are convinced that no socio-economic development program for the whole country would be complete or successful unless the development of the coconut industry is integrated with the primary objectives of that program. Realizing this, we have included as one of the chief objectives of our socio-economic development program the development and modernization of the coconut industry. We have accordingly given the highest priority to the coconut industry in the blueprinting and implementation of our five-year socio-economic development program.

We are therefore happy to congratulate the newly inducted officers of the United Philippine Coconut Association. You will recall that when you called on us at Malacañang after the decision to organize the UPCA was reached at your convention last year, we expressed gratification over your plan to organize the planters, oil millers, copra exporters, the by-products entrepreneurs, the desiccators and the PHILCOA. Your organization should insure that the various sectors of the coconut industry will look after not only their own sector's interests but also those of the entire industry. We commend the spirit of unity which now binds the officers and members of the National Federation of Coconut Planters, the Philippine Oil Millers Association, the Philippine Copra Exporters Association, the PHILCOA and others who have the welfare of the industry at heart.

With the united purpose which has been achieved through formal organization of the UPCA, a new stage has been set from which fresh approaches to the solution of the problems in the coconut industry could be made. Whatever has been done in the past, there is still much more to be accomplished in the future. There is a vast amount of unfinished work of improvement to be done. Expressed in the most simple terms, we say that the unfinished business of this industry involves three main tasks:

1. To increase the amount of available raw material, the crop of coconuts, either through an increased acreage by new plantings, or, an increase in the productivity of the existing coconut palms through fertilization and other modern farming methods;
2. To squeeze the last ounce of value out of our raw material through a most efficient processing and marketing and through the utilization of the by-products; and

3. To set up permanent and continuing research facilities both to improve the present methods and to meet the threat poised to the existence of the industry by coconut pests and diseases, particularly the as yet unidentified malady known as *Kadang-Kadang*.

On the first problem, in order to attain an integrated goal, there is need for each sector—planters, oil millers, desiccated coconut producers, copra marketers and by-products plants—to improve their present practices and to coordinate with each other so as to attain a higher degree of efficiency for the whole industry.

Let us take the case of the planters. The favorable Philippine climate induces farmers to continue producing even with mediocre or slipshod practices. A farmer owning a coconut grove can afford to be lazy and still live. It is well-known that fertilizing, cultivating, better cleaning and weeding greatly improve production, but since the trees do not die nor production completely stop without fertilizers, the result is a lackadaisical attitude among coconut farmers. It is time that the planters must conquer the present endemic mediocrity and lethargy in their efforts.

The government will do its share to assist the planters to improve their productivity but the work of improvement must be done by the farmers themselves. Government agencies are carrying out intensive research into ways and means of raising the productivity of our coconut palms but production will not increase if the farmers themselves do not apply the methods recommended by scientific research.

We, therefore, urge the planters here assembled to accept the task of improving the production of everyone's coconut plantation, not only the large plantation, but also the smallest coconut grove. Fertilizing can raise productivity by 50 per cent or even 100 per cent. On a conservative estimate of raising our production of coconut by an average of 15 per cent, in two years this will mean an equivalent of about 200,000 tons of copra every year which at the present price would amount to P100 million.

Regarding the marketers or exporters, we encounter here a problem that is as old as the industry itself. It is known that the marketers do not pass on to the planters the fair price in accordance with the ruling market conditions. The price of copra in the Philippines fluctuates with the world price which fluctuates with the general market trend for fats and oils.

This is a large market consisting of many potentially substitutable products such as whale oil, cotton seed oil, soy bean oil, palm kernel oil, sesame oil and many other vegetable products. On the demand side the market is subject to fluctuations on the prices of hogs and butter. The important point to remember is that since the market price of copra must suffer relatively high fluctuations, it is the function of marketers to forecast these changing trends and, to the extent that they are able to do so, to cushion the rapid gyrations of the market so as to protect the planters. This should be their contribution to the industry.

What is regrettable is that some marketers are tempted to hog the market to the detriment of the producer. Copra exporters engage in a fair amount of speculation—speculation on the upside and also speculation on the downside—but when this speculation is exaggerated and is consistently at the expense of the planters, the exporters become untrue to their function and betray the interests of the industry. Our marketers should be farsighted enough to look not only to their own interests but also to those of the planters.

Another important function of the marketers is to open up new markets for Philippine coconut products in competition with other suppliers of fats and oils. A great deal of opposition and tariff impediments will have to be overcome to sustain and increase in our exports to America and Europe, but with the basic advantage which Philippine soil and climate give, we should be able to meet competition and sustain our share of the market.

On their part, the task of processors—these include the oil millers, manufacturers of soap, lard and other coconut products, and desiccators—is to improve their efficiency both in the processing and marketing of their products. They should introduce innovations and not retard the growth of the industry by sticking to the use of old and less efficient machinery and equipment. It is essential that they modernize their plant facilities and their marketing methods in order to achieve a position of superior competitiveness in the world market.

The oil millers, for instance, must at all times be able to compete with processors of other countries using copra imported either from the Philippines or from other sources as their raw material. It is desirable that this competitive position should be maintained on their own hook and through their own efficiency, and not at the expense of the coconut planters who provide the raw material. They would be taking undue advantage of the raw material producers if they were to achieve competitiveness only at the sacrifice of the planters.

On this score, we are happy to note that since the Administration's decontrol on foreign exchange on January 21, 1962, oil millers have generally been able to compete more actively in the purchase of copra, and that this active competition among the different users of copra is helping in the establishment of their market prices for the producers.

It is gratifying that of their own free choice, the oil millers have indicated their desire to the PHILCOA to do away with the practice of allocating quotas among oil exporters even in the face of diminishing quantities of tariff-free quotas in the United States under the Laurel-Langley Agreement. This attitude blends perfectly with the Administration's over-all policy of promoting free enterprise. A healthy competition among the oil exporters should stimulate plant modernization as well as improvement in efficiency in processing and marketing.

The continued expansion in coconut oil production and exportation resulting from foreign exchange decontrol is one of the most outstanding features of the Philippine economy today. Oil imports increased by 105 per cent during 1962 over those of 1961. The upward trend is continuing through 1963. In January, 1963 our coconut oil exports exceeded by 227 per cent exports in January of 1962, while February shipments were 44 per cent more than those in February of last year. For these accomplishments, the oil millers sector merits our congratulations.

On the second problem, may we say this enterprising and pioneering people who are engaged in the commercial utilization of coconut by-products: To the extent that you add value to the by-products now going to waste on our farms, to that extent will you be able to strengthen the competitive position of the Philippine coconut industry here and abroad.

Let us consider the husk. Today, owing to its very limited use, the coconut husk has practically no value at all to the planter. The small quantities that are gathered from the plantations and brought to processing plants have value only to the laborers who gather and transport them to the decorticating plants. However, prospects for larger utilization of the coconut husks have improved both in the local and in the foreign markets.

A trial shipment of coir twines to Italy is being prepared by PHILCOA. Inquiries for coconut coir, either in the form of curled fiber or straight fiber, are piling up from Japan and European countries. New uses for coconut shell are being developed in research laboratories and in private factories.

Our Administration is prepared to lend financial assistance for the development of a coconut by-product industry. This by-product industry would not only provide additional income for the planters, but also increase the total value of the coconut industry. Such added value would lower our cost of production and thereby enhance further the competitive position of all our coconut products and by-products abroad.

On the third problem some ten million coconut trees have already been lost to *Kadang-Kadang*. The affliction is spreading at the rate of approximately 7 kilometers a year and has spread as far north as Infanta, Quezon. In the Bicol region, *Kadang-Kadang* has brought about tremendous economic losses.

It is deplorable that while the scourge of this disease has long been recognized, the will and the effort to eradicate or minimize it has been almost nil.

The Philippine Coconut Administration, which Congress established in 1954 to promote the coconut industry, at the beginning made some effort to carry out its research objectives but later, particularly under the past administration, bogged down under the pressure of political dictation and domination. Chairman Abadilla took over the management of the PHILCOA under this great handicap—and it is to his credit that, in spite of it, he has made and

is making some progress in putting the PHILCOA on a sound basis. Other government agencies have been equally ineffective, either because of inadequate financial support or lack of competent personnel, or both.

We are encouraged that some headway has been made in *Kadang-Kadang* research by the group of professors at the U.P. College of Agriculture at Los Baños who are undertaking their work with the support of a yearly grant of P90,000.00 from the *Kadang-Kadang* Research Foundation. While this group of researchers has not yet come up with definite answers to the many complexities of the *Kadang-Kadang* problems, they have been able to devise a method to determine whether or not a coconut tree is afflicted with *Kadang-Kadang*. The Foundation itself, which is a joint undertaking between government and private enterprise, has done creditable work not only in supporting the valuable research work in Los Baños but in arousing interest among leaders and interested parties in the need of greater research efforts in the coconut industry.

In this connection, we must make use not only of our own experience but also of our friends abroad who are more advanced than we are in the industry. To this end, we have entered into negotiations with the Food and Agriculture Organization (FAO) so that we may utilize the technical aid of the United Nations agency in undertaking a thorough survey of the coconut industry and in the establishment of a Coconut Research Center which will be devoted purely to research and extension work on coconut. The UN representation in Manila has given firm assurances that the UN, through the FAO and the UN Special Fund, will give the fullest support to a Coconut Research Center in the Philippines. As a first step, we have contracted the services of a FAO expert in the PIA—Dr. Menon, who is reputed to be one of the leading scientists on coconut and who is very highly recommended by FAO officials.

We shall express one more thought to end our remarks. The high prices for copra resulting from our decontrol on foreign exchange last year present unique opportunities for improvement. Decontrol is benefiting the planters who now get a higher price than they did when overvaluation and undervaluation which dominated trading practices before decontrol enriched only the traders. We should not dissipate these windfalls in conspicuous consumption but should plow them back to our coconut palms in the form of fertilizers and better farm practices.

The time to prepare for the rainy day when prices might tumble down again is now when bigger incomes permit massive investments on tried and tested tools for increased productivity. The prices of coconut products being dependent on factors beyond our country, we must at all times be prepared by doing our best during moments of good fortune such as we are enjoying today.

The foregoing are the different facts of the unfinished business in the coconut industry. The completion of this unfinished business is the greatest challenge that you, the leaders of the different sectors united in UPCA, who are gathered in this convention, are facing today. There is no magic formula for any industry. But if we work together, if each sector were to apply itself with steadfast dedication to its own task, and with the government doing its part, then shall we attain a position of superior competitiveness for our premier export industry and prevail in a world seething with harsh economic realities for the welfare not only of those who are engaged in the industry but of all our people.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal before the Convention of Government Auditors

Address of His Excellency Diosdado Macapagal President of the Philippines Before the Convention of Government Auditors

[Delivered in Baguio City, April 3, 1963]

FAITH IN THE GENERAL AUDITING OFFICE

WE FEEL happy to be with you here today not only because we know we are with friends and comrades in the great and continuing moral crusade of this Administration, but also because your convention centers on a theme which is very close to our heart—the Five-Year Socio-Economic Program. Upon assuming leadership, we launched this Program as a concrete and sincere program of government by which our people can judge our actions in their paramount interest during these crucial years of national growth.

In a democratic society such as ours, a government program can not succeed without the support of the sovereign people whom we serve. We are, therefore, extremely pleased to know that you who are in a very decisive position to help promote the great goals of moral regeneration and vigorous economic growth under this Administration are exerting your utmost to give such help. May your deliberations in this convention bring forth the new light of guidance you seek in the performance of your work in relation to the over-all socioeconomic improvement program for the people. But regardless of the tangible outcome of your efforts in this convention, we would like to commend you beforehand for your responsiveness to the challenge of public service for national development and improvement.

We have complete faith in the high importance of your function in the scheme of government as laid down in our Constitution. And we have faith that so long as your vital constitutional function continues, so long shall the cause of good government in this country be served and safeguarded.

The proud tradition of the audit function through the ages makes it one of the most highly respected institutions of balance and checks in democratic governments. It takes roots in the great tradition of legislative supremacy over public funds, born out of the victorious struggle of ancient popular parliaments to hold down royal proclivities. Thus has evolved through the long and painful years of growth of democratic governments the zealously guarded axiom that expenditure of public funds must be made strictly in accordance with legislative authorization and should be checked by an independent auditing agency.

We are well aware of the proud tradition of independence built up by the auditing office in this country since some 60 years ago. Even at the earliest stage of its organization, the compelling necessity to make the auditor independent to enable him to discharge his tremendous responsibilities fearlessly and impartially was already felt and recognized. As far back as 1912, the Supreme Court of the Philippines had occasion to promulgate a decision which bolstered the concept of the auditors as an independent officers. In the case of *Lamb vs. Phipps*, the Court said:

“In the performance of his duties, the Auditor is not subject to the jurisdiction of any officer of the executive branch. He is not a mere machine to register or blindly execute the opinions or acts of other officers in matters which pertain, by the laws of the fiscal system of the government, by well defined policy, and by long practice to the jurisdiction of the accounting officer—a jurisdiction which it is his duty to maintain, even in cases in which its existence may be doubtful.”

This was in line with the pronouncement of President Manuel Quezon that a government auditor should be looked upon as a paragon of honesty, integrity and dedication to duty.

Such was the undisputed position of the auditor in the governmental machinery that by the time we were ready to assume the responsibilities of independent nationhood under our own Constitution there was unanimous sentiment in the constitutional convention among the delegates for the establishment of a truly independent General Auditing Office. As conceived and created in the Constitution, the General Auditing Office is protected by strong safeguards to maintain and insure its freedom of action. It was placed expressly under the direction and control of the Auditor General who is provided with a fixed term of office, longer than that of the appointing power, with a prohibition against reappointment and diminution of salary, and who is removable only through the difficult and cumbersome process of impeachment.

Through the years, the General Auditing Office has kept zealous guard over its powers and prerogatives. The legislative and executive departments in turn, have shown their support for a stronger and more effective auditing office by the passage and approval of appropriate legislation. For instance, Republic Act No. 1890 empowered the Auditor General to reorganize the General Auditing Office; Republic Act No. 2266 granted additional powers and duties to the Auditor General; and Republic Act No. 2716 exempted General Auditing Office personnel from application of the WAPCO pay and position classification plans.

Thus, in this country, the tradition of independence of the auditing entity has been upheld. As an imperative of orderly government, the freedom of the auditor should be preserved and insulated from extraneous interference or influence.

We understand there is now a move to further strengthen the General Auditing Office. This is a healthy sign. It signifies the determination of the General Auditing Office to equip itself better to carry on its tasks more effectively. We fully favor this move. You can rest assured that you shall always find in us an advocate or adherent of any cause to make the General Auditing Office truly independent and effective.

Thus, for example, any doubt on the extent of the duties and powers of the Auditor General as delineated in the Constitution should be resolved in favor of an interpretation that shall give full effect to the intent of the framers of our fundamental law to make the auditor a check on the executive.

In the recent case of *Guevarra vs. Auditor General*, the Supreme Court ruled that the only duty of the Auditor General in cases of expenditures which are excessive, extravagant or unnecessary is to call the attention of the proper administrative officer. Although this judicial pronouncement has its basis in law and jurisprudence, we shall lay down the policy that the proper administrative officer shall take official cognizance of the observation of the auditor and, if still feasible should stop the expenditure involved. Extravagant and wasteful spending of the people's money will never be countenanced in our Administration.

To improve this situation, we endorse an amendment to the Constitution which would clarify the specific power of the auditor in the examination and audit of expenditures of the public funds.

Likewise, if only to make the General Auditing Office truly independent of the executive, we favor an amendment to the Constitution eliminating appeal to the President, from decisions of the Auditor General, to the making of such appeal, instead, directly to a court of record.

These two proposed amendments, involving as they do the basic function of the General Auditing Office, are also in accord with the pledge we made to the people in asking for their mandate for national leadership that the powers unduly concentrated in the Office of the Chief Executive shall be dispersed or decentralized for a more effective and responsive government. These changes, we trust, should serve to strengthen the people's faith in the fundamental mission of the General Auditing Office as ordained in our Constitution.

There may be several areas more on which we can take action to enhance the independence and prestige of the General Auditing Office in the best tradition of democracy. These, we leave to your judgment and deliberations, but it may be worthwhile to draw your attention to the need for updating the accounting law under the Revised Administrative Code and for the need for legislation creating a special fund exclusively for the operational requirements of the General Auditing Office.

We urge, further, that continuing efforts be exerted to bring sound business practices in government auditing and to improve auditing procedures to keep them abreast of the times and, specially, to fit them to the demands of our developing nation. We refer, in particular, to the shifting emphasis from the role of auditing as a means of detecting frauds or irregularities in the handling of public funds and property, which is essentially negative in character, to a more positive activity of providing heads of agencies more complete managerial tools for the accomplishment of their work programs through adequate systems of internal control, performance evaluation, and financial reporting. Accountability as exacted by the General Auditing Office in this manner then becomes constructive, rather than merely critical or negative. It not merely insures fidelity in the custody of public resources and the legality of expenditures of public funds but also enhances the accomplishment of the substantial operating program of governmental agencies.

*The Government Auditor and the Socio-Economic
Program*

Over and above its proud tradition and constitutional creation, the auditing function in this government today assumes new dimensions in the context of the two great national programs of moral regeneration and socio-economic development. As public servants who occupy a sensitive post in the governmental hierarchy with the sacred task of keeping watch over the public treasury, your influence in the combined efforts to make of these programs a living reality is indeed decisive.

Thus, your constitutional duty to bring to the attention of the proper administrative officer expenditures of funds or property which, in your opinion are irregular, unnecessary, excessive, or extravagant fits well in our announced standard that in our actions we should not be guided only by what is legal, but that we must go beyond legality into the demands of morality. It is not enough that our actions are legal. They must be moral as well in order that we may measure up to the high standard of integrity and virtue set in our moral regeneration drive. This standard must apply to public expenditures as well, if not more specially so. Spending public money under irregular circumstances, for unnecessary purposes, to excessive proportions, or in an extravagant manner, although within the pale of the law is clearly immoral and highly prejudicial to the public welfare. Where the administrative officer of the government fails to observe the desired criterion for public expenditures, the auditor must be empowered to check him in the true tradition of his role as the "conscience of the government."

As guardians of the people's money, you can undoubtedly do much in ferreting out the obnoxious practices that would drain the public cash box of the taxpayers' money. To be worthy of the distinct responsibility placed upon you by the Constitution, you should do your duties without fear or favor, exposing anybody who has breached the law or prescribed moral standards, be he big or small, rich or poor. In so doing, you shall have our full support, for the oath of office we took upon assuming the presidency of the land enjoins us "to do justice to every man," and justice each one shall get from the humblest citizen to the most powerful or exalted. In so doing, you shall also be given life and substance to one of the cardinal missions of this Administration "to establish the practices and the example that will strengthen the moral fiber of our Nation and reintroduce those values that would invigorate our democracy."

Above all, no one of you should himself get involved as a participant in an anomaly. It is a compounded and abominable infidelity to the people for those whose duty it is to prevent offenses against the people's interest to themselves commit or take part in the commission of the offense. For an auditor to place himself in this fix is like a police officer or policeman in league with criminals in the commission of crime. In our grim and relentless resolve to bring about good government, we have formulated measures to break and smash this conspiracy between members of the police and criminals where we believe it now exists. We trust that you will not make our appallingly difficult task any harder by constraining us to extend such measures to your branch of the public service.

One problem which tends to seriously jeopardize the Administration's program for the people is bureaucratic red tape. Many vital decisions may get bogged down in their implementation as they wend their way through a seemingly labyrinthine administrative process. We have been concerned with this problem and studies are under way on how to reduce and eliminate unnecessary and harmful red tape. Thus far these studies indicate that the turtle pace at which policy and high decisions are implemented are due to (1) the nature of existing administrative regulations, (2) to the failure of subordinate officials and employees to perceive the urgency of the matter involved

and particularly its relation to the Administration's program, and (3) to an attitude and habit of routine and procrastination on the part of many officials and employees.

You can help us in meeting this altogether unnecessary problem.

Time is of the essence in carrying out our Socio-Economic Program during the short span available to us. Each phase has to be prosecuted according to plan. As in the case of a time-piece, each component part must perform its function with precision. In this regard, you, as government auditors, have your own share of responsibility in making the wheels of our Socio-Economic Program turn in accordance with the schedule. A break in the pace we are pursuing—no matter how brief—may upset our time-table and prejudice the success of our endeavors.

This is not to say that government auditors have actually and deliberately obstructed the progress of our governmental program. During the more than one year of our Administration, we noted with satisfaction the assistance and cooperation you have extended to us. We pointed this out merely to underscore the importance and imperative necessity of expediting all matters or transactions submitted to you for action, particularly those which are important to our economic program.

We do not mean to impose upon you to pass in audit financial matters that you think are of doubtful legality or propriety nor do we ask to trespass the bounds of your independence. We are the first to exhort you to perform your duties without fear or favor and in accordance with the dictates of your conscience. We are the first to sustain your actuations which are in conformity with law and regulations. It is our position, however, that if the defect you discover in the course of audit is merely technical in nature, then we would ask you to help by finding ways, if this could be legally done, to cure the defect so that the required action can be taken with the least possible delay.

These are the new proportions of your duties and responsibilities in this period of founding for our people a lasting regime of social contentment and economic prosperity. You, as auditors, constitute the vanguard of official morality and the rear guard to governmental efficiency and economy.

Conclusion

These, then, are the thoughts we would like you to reflect upon as you meet in convention now and in the next few days. At the risk of over-simplifying or exaggerating, we are inclined to say that what is good for the General Auditing Office as an institution with a proud tradition and a proud birth in the law of the land, is good for the people. You have our assurance, therefore, that whatever you do to keep the faith and confidence of the people in your organization shall always receive our unqualified support.

Keep up the good name you have carved out for your organization through the years. Keep high the proud and ancient tradition of your work in the total scheme of democratic government. But above all, we ask you to look around always from your time-honored pedestal for new horizons of service to your people and your country. Do not fail them as we are ourselves resolved not to fail them.

Source: Presidential Museum and Library

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**NATIONAL GOVERNMENT PORTAL – EDITED AT THE OFFICE OF THE PRESIDENT OF THE
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Address of President Macapagal before the LP Convention

**Address
of
His Excellency Diosdado Macapagal
President of the Philippines
Before the LP Convention**

[Released on April 6, 1963]

**The Liberal and
Nacionalista Parties**

THE LIBERAL PARTY today is the favorite of destiny. In 1957, we won the vice-presidency although our presidential candidate lost. In 1961, we won the presidency although our party lost the leadership in both Houses of Congress. So in our address to the National Directorate of our party on January 28, 1962, we reported this lack of control of our party in both Houses of Congress. But we vowed to remedy the situation by declaring that “The LP has handled more formidable difficulties than this problem in the past; so we are confident that our party will be able to solve successfully the problem of leadership in Congress.”

Today, that prediction has been fulfilled because at this time of the convention of the LP, the Speaker of the House of Representatives is a Liberal, the Hon. Cornelio Villareal, and the President of the Senate is a Liberal, the Hon. Ferdinand Marcos. Ours is the first administration in democratic history which started with both Houses of Congress controlled by the rival party but before we were half our way, both Houses were placed under the same party as that of the Administration. Considering the undesirability of Legislative-Executive conflict, this augurs well for the success of our Administration and for the welfare of our people.

We express our appreciation to those former Nacionalistas who have joined or assisted us to make this change possible. These new brethren of ours in the party deserve our appreciation and that of the people because they placed the welfare of the country above the interest of their decadent party. Perhaps even more, our old brethren in the party merit also our gratitude and that of our people because of their sense of understanding and even sacrifice, sharing leadership with new brethren, thereby placing the interest of their country and party above their personal interest. Let us now merge these two groups into one compact party united for victory in the coming election, united for reform and united for giving our country the most successful administration for a long time in its history.

After more than a year of dedicated labor from our assumption of the administration to rebuild from the wreckage left in the wake of the corruption and mismanagement of the NP regime, we can look our people in the eye and say with conviction that we have done well in an appalling job under appalling odds.

There were two principal tasks that had to be tackled when our people commissioned us to serve them. The first was the deteriorating economy and the symptomatic spiralling prices. From the 6% rate of economic growth when the Garcia-NP regime started, the rate of growth fell to 4.4% in 1961. Prices of commodities were rising beyond the capacity of the people to pay. Rice had risen to as high as P3.00 a ganta and queues had formed in Manila to buy a ganta of rice at controlled prices. The worst part of it all was that there was no hope in sight for the deteriorating economic situation and the spiralling prices.

There was no hope for the economic hardships of the people because the twelve-year system of economic controls had exhausted its usefulness to the economy and the only prospect under controls was continued deterioration in the face of our rapidly rising population. The tragic situation of a dead-end in the economy under controls was

aggravated in its hopelessness by an orgy of corruption among the officialdom in all levels which portended complete national disaster.

Apart from the spiralling prices, other symptoms of the grave economic malady were the state of huge deficit in the financial operations of the Government and the negative conditions of the dollar reserves in the banking system. At the end of 1961, the government was operating on a deficit of about P200 million. Dramatizing the desperate financial situation, the P13 million calamity fund was exhausted and the P120-thousand outlay for Malacañang household expenditures had a balance of P36.00. In the Central Bank, the dollar reserves amounted to \$101 million.

The economic and fiscal situation was critical. Immediate remedial action was imperative. The remedy could not wait for congressional action because it would be too late. Moreover, Congress was in no position at that time to take the urgent remedial action because it was under the control of an obstructionist party and it was hopelessly torn by passionate partisan strife. There was no time to lose.

The President could take the action but aside from revising the tariff, it was essential to constitute a dollar stabilization fund of at least \$250 million. Realizing the critical situation, we acted boldly by sending an economic mission to the United States in a pessimistic atmosphere in an attempt to constitute the needed stabilization fund. Fortunately, this mission succeeded in its task in the phenomenal period of nine days by obtaining commitments that would establish a stabilization fund of \$300 million, including from the IMF and the US Treasury, thanks to President John Kennedy. The success of the mission was an eloquent proof that the United States under President Kennedy has such faith and confidence in the LP administration that the American government is ready to come to the economic assistance of the Philippines whenever it becomes necessary.

With the necessary safeguards thus assured, we acted unequivocally and firmly as demanded by the interest of the people. Since it was evident that the foreign exchange control was the main tumor debilitating the economy and generating the complicating corruption, notwithstanding that exchange control meant enormous economic power in our hands as President which meant also tremendous political power, within twenty-one days after we assumed office, we performed the inescapable surgical operation in the economic body to cut the tumor by discarding exchange control, thereby deliberately removing tremendous economic and political power from our hands because it was demanded by the welfare of the people.

After instituting decontrol, we swiftly launched the main solution to our economic and social problems—the five-year integrated socio-economic development program which we submitted to Congress the day after we issued the order of decontrol.

After five anxious months thereafter, we had reason to lift our eyes to Divine Providence in gratitude that the surgical operation we performed to cut the tumor of controls in the economy was successful and that the medicine that we prescribed constituting a five-year socio-economic development program was the correct cure to the gravely ailing economy. After five months, the economic patient started to improve. The floating currency rate stabilized at around P3.90. Dollar reserves rose from \$103 million to \$140 million after reducing the Central Bank obligations from \$341 million to \$137 million. Export receipts increased by \$103 million over the previous year, while imports decreased by \$72 million. In contrast to a trade deficit of \$144 million in 1961, our external trade accounts showed a surplus of \$31 million last year. Operating receipts of the national government increased by \$290 million over those of the past year. Agricultural production increased by 5.5 per cent in palay alone, and 7.1 per cent for all food crops. Industrial production for the first six months increased by 7.3 per cent.

Above all, the situation of spiralling prices had been alleviated. The hopeless spiral of prices under the NP regime had simmered down to a moderate rise which has tended to stabilize. This is the unanimous judgment of knowledgeable experts—that clue to the successful surgical operation in decontrol, the rise of prices has been more moderate than was expected, definitely much more moderate than the hopeless spiral that would have continued to worsen had the NP continued in power. As President Jose Fernandez, Jr. of the Far East Bank and Trust Company observed on April 1, 1963: “Internal prices indicate a much stronger basic position than many of us were willing to concede a year ago. Contrary to fears that price levels would rise sharply, we now find that general wholesale prices increased by only 5%, consumer prices in Manila by 6%, consumer prices outside Manila by only 2% and retail

prices in Manila by 7%.” In comparison, in the wake of a similar currency reform, prices increased by 12% in Mexico, 15% in Thailand, 30% in Indonesia and 102% in Argentina.

As a result, altho prices are on the rise in all countries in the world, the prices in the Philippines are now the second lowest in the world. This is borne out by a world survey on prices conducted by the *Associated Press* in November, 1962 which showed that the highest prices in the world are in France, second in Italy, third in the United States while the lowest prices in the world are in Holland, second in the Philippines and third in Egypt.

The success of the Administration in the matter of prices has been outstanding on the price of rice and corn. In 1961, despite an importation of P60 million worth of rice from abroad, the price of rice in the non-harvest months of August to October rose to as high as P3.00 a ganta. In Manila, queues were formed to buy one ganta of rice at the controlled price as during the Japanese occupation. In Visayas and Mindanao, rice sold at P2.50 a ganta and in Palawan, P3.00. After we took over, through the newly organized Rice and Corn Administration, our Administration did not import rice yet while we bought the local produce at P11.50 a cavan, when we sold it to the public rice sold at the low price of from P0.85 to P0.95 a ganta and rice at that price was available all over the Philippines. For this remarkable performance, we are indebted to former Congressman Jose Feliciano, RCA Manager, whom we heartily congratulate. In view of the crucial task of Manager Feliciano in our program for the people, we seek your cooperation by not imposing demands on the RCA and on its management, although you may make to him requests and suggestions, because the success or failure of our rice and corn program, in the eyes of our people, is the decisive test of the success or failure of our Administration.

We have, therefore, licked organically the problem of spiralling prices which developed during the NP administration. We have done this through correct and successfully operated solutions to our economic problems. We can now feel confident that although the peoples of other countries may groan for some time under uncontrollably spiralling prices, whatever rise there may be in the prices of goods in the Philippines it is so moderate as not to go beyond the reach of the average consumer to pay. We can therefore now turn our anxieties and efforts to the constructive phase of our program, which is to increase goods, jobs and income.

During the campaign, we pledged to the people that we would stop the rise of prices in general and that we would lower the price of rice in particular. These we have done.

The NPs now clamor for us to lower the prices in general. This is the kind of colossal insincerity and deception that has caused the people to mistrust, dislike and discard the NP. They have been advocating decontrol; they are in accord with decontrol under which prices will not go down but have to be offset by the rise of income; and yet the NPs clamor for the lowering of prices, as if this could be done. In the words of one of their candid leaders, Alfredo Montelibano, “we clamor for decontrol and yet we clamor also for the lowering of prices which cannot be done under decontrol.” In clamoring for the lowering of prices as if they could do it, the NPs forget that the people will never forget that it was under the NPs that the prices rose up and spiraled even without decontrol. For them now to give the impression that they could lower the prices under decontrol is an exhibition of their calloused incorrigibility in deceiving the people. It is nothing short of amazing that the NPs have not awakened from their attitude that they can deceive the people. That they deceived the people before they rose to power and deceived the people again when they came to power was perhaps understandable although deplorable. But for the NPs to continue deceiving the people now even after they were thrown out of power shows that they are simply impossible. The only thing possible in dealing with the NP in the face of all these is for the people to continue repudiating them in the polls so that the new opposition party that will arise in their place will not repeat the incorrigible insincerity and deception of the NP.

To state the situation in common parlance, after the LP administration performed the surgical operation on the economic patient and applied the prescribed medicine, the patient is not yet well but he is feeling better and is on the way to recovery. His temperature is still high, that is why there is still a moderate rise in prices, but it is not as high as it was before the operation and not as high as it would now be had the patient continued under the former bungling NP doctor and had he not taken a new LP doctor.

With the patient now getting better and definitely on the way to recovery and good health, it would be suicide to call back the old NP doctor in whose care the patient almost died. It would not only be suicidal but criminal to elect and return the NP candidates to office. If this were done, the prices instead of moderately rising will shoot up and spiral even higher than they did during the NP regime. Wiser from their experience, the people should now forget about the NPs who in their administration gave us the worst hardships in our lives since the Japanese occupation. With the prices generally stabilized and at most susceptible to a moderate rise the only thing to do now is to support the dedicated LP administration, to continue with its sound five-year socioeconomic program and for all to work hard to speed up the full success of the program so as fast as possible, there will be more income for the people, until the income in the hands of the people will become so high and abundant that they will be able to easily afford the moderate rise of prices a condition which will at last bring the life of prosperity and abundance that we devotedly seek for our people.

From all what we have said, there is no doubt that the economy is faring well. Economic authorities both here and abroad have approved of our socio-economic program after one year of observation. In its convention on February 21, 1963, the Philippine Chamber of Commerce supported the program as a "farsighted" one. In its convention on March 23, 1963, the Philippine Chamber of Industries, also expressing support for the program, described it as "a practical, realistic and balanced approach to the problem of promoting and financing the sustained increase of our Nation's productivity, income and employment." On January 29, 1963, the National City Bank of New York, lauding the Administration's decontrol policy, declared that "As 1963 begins, there is ample evidence of the wisdom of this decision. The end of the first year of President Macapagal's administration finds the Philippines looking ahead with increased confidence." In an editorial on January 22, 1963, the *New York Times* declared that "The record for 1962 has gone far to justify the hopes for progress in the Philippines evoked when reformist President Diosdado Macapagal took office there a year ago." On December 27, 1962, US Assistant Secretary of State Averell Harriman said that "Under President Diosdado Macapagal's administration, there is no reason why the Philippines cannot become one of the most prosperous countries of Asia."

In the face of the testimony of these objective and authoritative observers on the success of our economic effort, the NP attacks on the economy are clearly partisan and unworthy of credence. Let us, therefore, not be taken by the criticism of the NP on economic matters, including prices. There are two kinds of economics. One is economics for the people; the other is economics for self. The only economics that the Nacionalista leaders know is the second kind, that is, the economics of how to enrich themselves "while the people go hungry."

The other, task that we assumed in accordance with the people's mandate was the reduction and eradication of the graft and corruption that was widespread during the NP regime.

On this task, neutral observers here and abroad are unanimous that we have done a good job. The tong system is gone. Bribery of high officials directly or through influence peddlers is gone. With graft virtually eradicated at the upper and ranking echelon, we are now proceeding to eradicate it at lower and to the lowest levels. You will recall that in our address to the National Directorate of the Liberal Party in January, 1962, we said: "As long as we are president and as far as humanly possible, we shall not allow corruption to thrive again in the government to the end that in 1965, the issue of graft and corruption will not be raised against the LP." With the cooperation of the other leaders and members of our party and the encouragement of the people, we have so succeeded in our drive against graft and corruption that we do not have to wait for 1965 for in the coming election of 1963, we can say with truth to our people that we have licked the problem of graft and corruption and that we shall be relentless until graft shall have been eliminated for good. On this alone, the people will back up our candidates because while we won clean government with clean hands and faces, the NP faces are still dirty with the soot of corruption that was so thick that they cannot scrape it off without cutting their faces.

In their desperate and vain attempt to associate the LP administration with graft that smeared all over their faces and bodies during their dirty regime, NPs have cited supposed scandals under our Administration like the Stonehill deportation, Virginia tobacco importation, the road signs contract, and the PNB swindles. The acts of our Administration in these cases are above board and have effectively protected the people's interest. By citing these cases, the NPs have actually indicted themselves. The truth is that all these cases originated from the immorality of the NP regime and all that the LP administration has done with understandable difficulty was to take curative steps to remedy the wrongs committed by the past NP regime.

In the Stonehill case, it was the stinking graft, corruption and influence peddling under the NP regime that enabled Stonehill to build his business empire and weave his web of corruption; and it fell on the LP to deport him out of the country and smash his web of corruption. In the tobacco case, it was the rampant influence peddling under the NP regime that made possible the importation of Virginia leaf tobacco by the influence peddling Agro-Industrial outfit; it fell on the LP to formulate a procedure for the continuation of the sanctioned importation through public bidding to forestall anomaly. In the road signs case, the purchase of the road signs without public bidding was approved under the graft-ridden NP regime; it fell on the LP administration to cancel and nullify the road signs contract. In the PNB case, the swindles started and took place under the NP regime; it fell on the new LP administration to discover the swindles and to take firm and corrective action to the extent of relieving the two highest officials of the bank. If these are cases of graft that should be submitted to the people we agree to taking them to the people because it is plain that the evil lies in the NP which originated these abuses and the virtue lies in the LP which took corrective action. If there are cases upon which the people should decide in the coming polls, the people's choice is easy—which is that, as it was the NP that originated these wrongs, in order that similar cases may not arise again, the NP and their candidates must never again be returned to public office and power in order that never again will a hard-working, work-saddled and dedicated administration like the LP be called upon to dissipate part of its precious time in finding remedies for the wrongs and abuses of the NP.

From the result of the recent convention of the NP and from former President Garcia's recent utterances, it can be seen that President Garcia is still the predominant leader of the NP. Our people can therefore judge the two parties on the record of their respective and predominant two leaders who became presidents. If a voter can say with sincerity that President Garcia was a more honest and upright president than President Macapagal then Nacionalista candidates may be preferred over LP candidates in order to return to power the party led by President Garcia. But if on this decisive field of graft and corruption, the voter adjudges that President Macapagal has done more than President Garcia in reducing and fighting corruption, then the people have only one course to take in their interest—which is, to wipe out the unremedially corrupt NP in the coming election in order to permit the reformist and graft-busting Liberal Party to continue the drive for the moral regeneration until the attainment of complete success and victory.

The difference between President Garcia and myself is indicated by our treatment of our brothers. Because of past cases, brothers of presidents have become a public concern in our country. When both President Garcia and we became presidents, we had brothers in the government service. When President Garcia was elected, his brother resigned from the government to engage in money-making activities. In our case, I kept my brother in the government service where he can be under my official authority and responsibility, where he can be subjected to investigation and responsibility to the people in case he abuses his relationship with the President. This instance alone shows a world of difference between the NP outlook and the LP outlook, which is that while the NP leaders, their brothers, relatives and friends provide for their future by using their influence at the expense of the people, the LP leaders, their brothers, relatives and co-workers dedicate themselves completely in the service of the people to provide a future not for themselves but for the people.

Indeed, if the honor, prestige and success of our Administration depended only on our self and the immediate members of our family, our party and our people could rest assured that we shall not be found wanting. We are resolved that while I shall exert a mighty effort to help improve the livelihood of all our countrymen, on our part, as long as I am President, my family and I will not enrich ourselves even by one centavo beyond my salary as a warranty that this LP administration shall not fail our people in giving them an upright, decent and good government.

Our relentless drive against graft and corruption has been of two kinds: positive and negative. The positive measures constituted such steps as the presidential family and key officials setting the right example, considering integrity and honesty as the prime qualifications for sensitive positions, banning presidential relatives and others from influence peddling and prescribing procedures that would prevent occasions for corruption.

The negative drive constituted in the prosecution of wrongdoers as a deterrent to the recurrence of the wrongs. We could have undertaken mass prosecutions of grafters and malefactors but in view of their big number and in consideration of the socio-economic development program that we launched, we decided in the people's interest to seek the purpose of deterrence by limiting prosecutions to significant and exemplary cases in order to avoid a

nation-wide and lasting tension that might fatally jeopardize our economic and social program. Accordingly, we have so far limited punitive and redressive action against the top offenders of the following categories: (1) aliens who organized webs of corruption; (2) naturalized Filipinos who engaged in extensive venalities; (3) aliens who engaged in profiteering; (4) aliens who brazenly engaged in electioneering; (5) aliens and Filipinos who engaged in tax evasion; (6) Filipinos who misused high elective public office to advance their business interests; (7) Filipinos who misused appointive public office to amass wealth; and (8) labor leaders who exploit their followers.

Our restraint in undertaking punitive operations proved to be sound because the tension caused by the limited prosecutions was already claimed to have adversely affected the vigorous implementation of our socio-economic program, notwithstanding that thus far we have criminally prosecuted to send to jail only seven "big shots." We reserve the right to prosecute more "big shots," should this become necessary in the people's interest because of (1) an inadequate deterrent effect of the cases already filed; (2) the necessity of exposing those who seek to harm the public interest by obstructionism or who lay false claims to virtues they do not possess to the deception and injury of the people; and (3) the accumulation of evidence of such nature and conclusiveness that to withhold or defer action would not be compatible with the public interest.

There is one feature of our limited punitive actions which merits notice. It is the fact that the LP administration has departed from the old way of treating the "big fishes" differently from the "small fry." Such attitude made a mockery of the rule of law and the equality of the citizens before the law, made the bulk of the people lose their faith in the dispensation of justice and effectively hampered the growth of the country. Now, things are different under the LP administration. Now there are no more "big fishes" and "small fry" in the eyes of the law. Now if you commit a crime or a wrong, you cannot seek protection and immunity by claiming to be a "big shot" because no matter how big you are the law will reach and punish you for your crime and wrong. Conversely, now, the poorest and weakest citizen can not be done an injustice just because of his poverty or obscurity. Should this Administration become aware of any case wherein a humble citizen is denied his right or is done an injustice only because of his poverty, the entire facilities and resources of the Administration will be utilized to assist the humblest citizen in the defense and protection of his right.

In our drive for moral regeneration, we have been accused of dictatorial tendencies and dictatorship. The very outspoken manner in which this charge was made refutes itself. The very fact that the NP can call us dictator and get away with it proves that we are no dictator. Our partisan critics who had become accustomed to the dilly-dallying ways of the past mistake firm leadership with dictatorship. We have always complied with the decisions of the Supreme Court even if we do not agree with such decisions. As long as the President complies with the decisions of the Supreme Court, there can be no dictatorship in this country. We have always said that the outstanding quality of our people is their passion for liberty. The passion of our people for freedom is a guarantee that no dictator can arise in our country because while the people can tolerate alarmist and weak oppositionists, they will not tolerate any dictator. If we were a dictator, our unreasonable critics would now have long been in jail. Yet where are they? A columnist who has been viciously calumniating us continuously, instead of being in jail, has been twice invited to Malacañang dinners which he has attended. An NP senator, who in his desperate attempt to become the leader of the opposition, attacked us viciously in the NP convention, instead of being thrown in jail, had breakfast with us at Malacañang the following morning. As long as our bitter critics who call us dictators have dinner or breakfast with us, the charge of dictatorship is downright ridiculous. When our professional critics can no longer call the President dictator because they are silenced in jail, then there is dictatorship in our country. But under our Administration, that will never happen because we too are opposed to dictatorship and should there be any real threat of dictatorship we will be with those who will oppose it in order to defend and uphold democracy and freedom in our land.

Pursuing their pattern of deception and negative and sterile thinking, the NPs have also attributed to us promises which we never made. All the pledges that we made during our campaign were made in good faith and intended to be fulfilled. We are satisfied that our promises to the people have been and are being faithfully and substantially fulfilled in the light of the people's interest. Instead of using their time mathematically measuring the fulfillment of our promises and inventing promises that we did not make, the opposition should assess whether or not our performance and actions satisfactorily meet the problems of the country. On our part, we will keep on complying with our pledges as required by the interest of the people but if at any time, we find that a plan or even a promise that we made in good faith during our campaign should be suspended or modified as the prevailing circumstances demand in the people's interest, we shall not hesitate to act accordingly because our paramount duty is not to prove

that we were mathematical prophets in our estimate of the national problems and the solutions needed but to do at all times what is in the best interest of our people.

What were our true pledges to the people? We set them out clearly in a signed article that was published in a morning paper shortly before the election, on October 16, 1961, as follows:

- “1. We shall provide the nation with firm and zealous, upright and competent leadership;
- “2. We shall eliminate graft and corruption, restore decency, infuse efficiency and dedication in the public service;
- “3. We shall implement a socio-economic program for the prosperity of all, thru private enterprise;
- “4. We shall generate maximum employment during our time;
- “5. We shall undertake a massive social program that will elevate the level of living of the masses of our nation.
- “6. We shall strengthen security ties with the nations of the Free World to insure the country’s security from communism and increase the national prestige before the family of nations;
- “7. We shall implement a program of urgently needed reforms;
- “8. We shall give special attention to the effecton of a rice and corn production program which will insure self-sufficiency in the staple foods of our people, an attractive margin of profit to the local producers, proper distribution and the sale of the cereals to the consumers at prices within the reach of the masses.”

Let all fair-minded citizens judge whether or not we have complied with these pledges. The remarkable thing is that we have been able to substantially comply with them in only one year after we assumed office. Indeed, that is one difference between us and the NP. We comply with our pledges while the NPs do not. A very simple example is the case of a vociferous NP senator who attacked President Garcia’s purchase and use of the presidential yacht *Lapu-Lapu* but upon first invitation extended to him by the President this senator enjoyed himself in the luxurious yacht. On the other hand, that yacht is now at our disposal as President because nobody wants to buy it because of its inflated price at the time of its acquisition. Many, including the press, have urged us to use it because of its speed, safety and facilities for presidential work; but because we made the pledge not to use it and this is a pledge that is in our power to fulfill without harm to the people, we have preferred to travel in discomfort in ordinary navy vessels rather than travel luxuriously in the yacht in line with our norm that when we make a pledge we will do it as long as doing it under changed conditions will not harm the welfare of the people.

Among these pledges that we have made, we wish to refer now to our social program to assist the masses to attain a higher level of living. Indeed, we have set this as one of the three goals of our socio-economic development program.

We have already taken various measures and we will take more in order to help the common man. Except in words, the interest of the common people has been relegated for a long time. Under the LP administration, we are resolved to help them with deeds.

In this resolve, we would like to state that our rice and corn program through the RCA was intended to assure to the masses their food. While waiting for the income of the people to outstrip the prices under our socio-economic program, we have assured our people through the NAMARCO reasonable prices of other prime commodities like milk, canned fish, canned meat, medicines and drugs. We have placed within the people’s reach “Pagasa” clothing at the lowest possible prices. We have intensified the housing program and pushed through a project to provide multi-storey tenement houses for the poorest citizens in conveniently located sites.

We have put up the EEA to give a chance to the unemployed to have an income with which to procure his bare needs.

We have paved the way for laborers to become proprietors by selling the government textile factory to the workers employed in the factory. We are establishing a university for workers.

We have also submitted a land reform measure to Congress which will abolish tenancy, shift capital from land to industry, and establish a Bill of Rights for farm tillers similar to those enjoyed by industrial workers. We plead with Congress to approve this measure in its current session. It is four hundred years overdue. Tenancy is no longer compatible with modern conditions of progress and human freedom. Many excuses can be put up to impute defects to the measure to abolish tenancy while avowedly supporting tenancy abolition in principle but all of these are hypocrisy. We can improve the measure but let us pass it in a satisfactory form. To do otherwise would be to fail in our duty and to block vital progressive reform. On our part, we have put our soul into this land reform measure that abolishes tenancy because as one appurtenant to a tenant family, we have known the degradation and impotency felt by tenants in their quest for a life of progress and dignity. We shall stake the future of our Administration on this measure. We have noted that the theme of our convention is "Unity for Reform." If this theme is not to be hypocritical, indeed, if our party is to be worthy of the crusade that it has launched and assumed, we expect all loyal adherents of our party and its cause for reforms to support this land reform measure because such action will prove that the LP today is authentically a party of reform and progress as contrasted with the NP which is a party of privilege, reaction and retrogression.

Glancing at the national scene today, if there is one thing crystal clear, it is the fact that the Liberal Party has magnificently met the challenge of the times that cry out for reform and real progress while the NP has miserably lagged behind the times in this space era, still moving, as it were, in the phlegmatic age of conservatism and oppression of the people.

We can no longer stay the march of the time and progress which demands genuine ministration to the conditions and needs of the people at large. The LP has marched with the times. The NP, like King Canute, wants to order the waves to stop from rolling to the shore, wants to maintain the status quo and the antiquated age of privilege. The NP is the party of the past that is only fit to fade away. The LP, by the dedication, imagination, and progressive-mindedness of its leaders, with the selfless support of its members, is clearly the party of the present and the future that merits the support of the people.

It is evident that the Nacionalista Party today no longer serves any useful purpose to the people. It lays false claim to being pre-war NP of the Quezon-Osmeña-Roxas triumvirate which it is not. On its own real self as one of the wings of the pre-war NP party, it has given the country the most graft-ridden and worst administration in our history. Led now by the same leaders who were responsible for that graft-ridden and obnoxious regime, it contains absolutely no element of hope for further service to the country.

The Liberal Party, too, had its failure in the eyes of the people in its previous administration of the country's affairs. But it responded to the challenge of the times and of the country's needs by a program of moral, economic and social reform which it is now vigorously prosecuting. In doing so, it justified and won the people's verdict as being worthy of continuing in the service of the nation.

The NP has acted differently. It has not changed. It is still controlled by vested interests and notorious grafters. For the people to elect candidates of the NP in the coming election is to give sanction to graft and grafters and to reaction and reactionaries. To aggravate the situation, its so-called leaders have confined themselves to exaggerated attacks against the Administration without offering any alternatives to the solutions that the Administration has applied to the country's problems. Since the NP has lost every quality for renewed service to the country, it is best for the people to wipe it out in the coming elections in order that in its place may arise a new opposition party that can provide some hope for the people.

We therefore ask of you in this convention continued faith in your leaders, continued cooperation, continued sacrifice whenever needed and acceptance of the challenge of greatness in your respective roles in our great party. If

you will do this, we shall sweep these November elections and thereafter sustain our party as the savior of our people and the greatest party in the history of our nation within our lifetime and within the foreseeable future beyond.

In 1960, we told our party that if we did not win the presidency in 1961, we would regard our life as a career of failure and shame. We won the presidency. Recently, when we were in Laoag, Ilocos Norte, we told our party supporters that we would never stop until we enabled the president of our party, Senator Ferdinand Marcos, to be installed as President of the Senate. He was elected President of the Senate yesterday. Today, we pledge that we shall exhaust our energy to help in our task of sweeping the coming elections in order to stabilize the leadership of our party in the Senate and to win the necessary local seats that will in turn assure an LP administration beyond 1965.

After the elections, we expect to meet you and with God's grace, the people's support, and our partymen's cooperation, in the tumultuous exultation of our sweeping electoral victory and in line with our previous fortunate predictions be able to tell you, "We told you so!" And this shall be a boon to our people for whom we bear full devotion and whose endless well-being lies in the program, dedication, and greatness of the present Liberal Party.

Source: **Presidential Museum and Library**

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**Address of President Macapagal at the Graduation Exercises of the National Bureau of Investigation (NBI)
National Academy**

**Address
of
His Excellency Diosdado Macapagal
President of the Philippines
At the Graduation Exercises of the NBI National Academy**

[Delivered on April 6, 1963]

A PATTERN FOR POLICE IMPROVEMENT

AT NO OTHER time in police history has the demands of strengthening its services been so great and pressing as now and in the immediate years ahead. This Administration is dedicated to the momentous task of retrieving the country from the economic and social stagnation of the past and of giving it new goals and new directions. Greater challenges will be encountered as this country emerges with the throes that come with advancement. The economic upheaval has brought about changes in our way of life, changes that are inevitable in the wake of progress, changes for a better life which demand sacrifice from all.

It has not only the duty of law enforcement to provide the essential background of peace and tranquility in the execution of our socio-economic plans but to gear all its preventive and repressive resources to meet the challenge of those who dare to violate the laws of the land in their inability to face the changes that must come or of those who take advantage of the changes brought about.

We must realize that social changes are fast taking place—the opening of vast road networks and easier means of transportation has facilitated mass movements and migration but this, too, has enhanced the mobility of crime. As we gain momentum toward industrialization, rapid urban and suburban population changes have increased blighting slum areas and created problems of dislocation and replacement. Even new and greater job opportunities and new inventions can disrupt family ties and encourage delinquency and criminality. With these changes come a multitude of laws and ordinances regulating human conduct, presenting additional direct administrative problems to the police.

All of these require understanding, a new approach and new procedures for the effective solution of these problems. It is, therefore, imperative that the present police agencies, particularly those dealing mainly with the common mass which represent the front line defenses of our communities, must be able to comprehend the present situational trends and to cope with the mounting tasks of law enforcement.

The municipal police problems today are as old as the institution of local government with the added problems that come from the harsh realities of present-day changes as we move swiftly into the realms of industrialization and socio-economic advancement. Progress toward the solution of these problems has not taken an appreciable stride as in the fields of health, education, medicine, and the rest of the professions. The reason commonly advanced for the stalemate has been customarily placed at the door of politics which is essentially valid and would have lent itself readily to popular conviction and control were it not that most often the police have allowed themselves to be with politics. The more the police keep out and resist politics, the less politics would be in the police.

On my part, I shall be ready to extend my assistance to any member of the NBI or the police who becomes a victim of injustice or of undue pressure by any politician.

In the five-year integrated socio-economic program, the police play a vital role in the prevention of economic losses through criminal activities, and in the rapid enhancement of our social and economic growth through the maintenance of peace and order. All the economic gains of the country would come to naught if the Republic's coffers would be drained by the high costs in the administration of criminal justice and the maintenance of sub-standard police organizations. The Administration will endeavor to raise the standards of our law enforcement agencies not only to save the country from the destructive efforts of law violators but also to retrieve these

misguided elements in order to channel them into the stream of economic participation and bring about an enlightened and useful citizenry.

It is the Administration's policy to launch and implement the police improvement program at the grass roots level which is decidedly the weakest link in the country's socio-economic program. The strengthening of our local police forces calls for a complete overhauling of our municipal police system, to release it from the antiquated provisions not up to the exacting demands of professional growth and of the new and broad concepts of public administration. Their welfare as the guardians of the public peace and our civil liberties has long been overdue and forgotten in our popular agitation for the protection of our own rights and privileges. Our criticisms of the police have served no positive purpose and have only heightened our disinclination to realize that this is the institution on which our own safety and welfare hinge.

The enforcement of the laws of the land is not so simple as enacting them, for the limitations of manpower, and material, the technicalities of law and procedure, and the human side of the enforcer and those against whom the law is enforced come into full play to create an emotional and legal impact on the dynamics of human relations.

The Administration proposes to lay the foundations on which to sponsor a more intensive and extensive state-financed training program so that the fundamentals and the refinements in the enforcement of the law must be observed at all times. The days when a policeman is hired and immediately armed, uniformed, and placed on the streets, leaving the community at the mercy of his inexperience and incompetence, has long been forfeit in the new dimensions of training, the key to the satisfactory accomplishment of the police purpose.

The complexities of modern society have produced constantly shifting patterns of human conduct and criminal behavior, thereby necessitating equally changing concepts, techniques, and law enforcement. Only through training in all its phases—pre-service, in-service, and specialized—can the police gear itself to such a peak of efficiency and effectiveness that it could properly perform its role as the guardian of the public welfare and security.

Training is a constructive leadership tool for eliminating weaknesses and waste in our governmental machinery. In its positive form, it is discipline. This is the best weapon the police can muster to combat public apathy and gain for itself favorable attitude, win respect and support. Discipline is the true distinctive mark of police service. From it springs the official courtesy that is demanded and should be manifested in your daily contacts with the public. The untrained and inefficient police organizations today still resort to third-degree methods and practice all sorts of abuses as an expedient to bring about the solution of a case or compel performance in obedience to the law by brute force. This conduct has let loose the sweeping tide of public criticism and indignation which the press and the radio have, on many occasions capitalized upon and dramatized, thereby throwing the whole perspective of correction and reconstruction out of focus. This slant has, inadvertently, sowed the seeds of distrust against the lawful exercise of authority among the law-abiding and awakened the people's inherent concept of personal liberty against all forms of control, whether regulatory or merely directory, of human conduct and intended for the public weal.

Such a training program must perforce be centralized in one agency in order to achieve uniform standards in instruction, techniques, and procedures, where all the leading authorities in the police field can be committed so that the police can be the beneficiaries of combined knowledge of the best available talents.

It is gratifying to note that the National Bureau of Investigation has ably performed its mandated task of providing instruction and training, to a good number of our city and municipal policemen through its Academy in Manila and its regional ambulatory teams in the province. It has given the widest dissemination of police knowledge that its instructors have acquired from different police training institutions in the United States, England, Australia, Canada, Japan, France, and other countries of the world.

This Administration also recognizes the fact that whereas the police service is no place to amass materialistic gains, the policeman must receive a decent salary sufficient to enable him to look after the welfare of his family and education of his children; to enable him to sneer at temptations and cast them aside; to enable him to square his shoulders and hold his head higher; to enable him to discharge his job with dignity and pride; and to enable him to

sacrifice his life on the altar of service with courage, secure in the thought that those he leaves, behind will be looked after.

Without impairing the rapid strides in local autonomy, the standards in the maintenance of an adequate and truly responsive police force must be supervised by a national police commission of qualified police experts, and national aid must be extended to cushion the expected stringent requirements and standards which legislation must impose.

The role of the National Bureau of Investigation as a service agency to local police forces in terms of training, records and identification, statistics, and laboratory facilities must be given wider latitude to compel local police organizations to avail themselves of these services to hasten their improvement. The Philippine Constabulary must remain as an operational aid to help local police forces cope with the sporadic rise in criminality at the request of local chief executives. The outlines for the relocation of these functions in the NBI and in the PC must find support in the national appropriations to avoid duplicity, to establish responsibility, and to effect true economy in the wise use of public funds.

Police service to be a profession is not all standards, but a reflection of the day-to-day image which you and your department create before the public. To inform instead of reprimand, to request instead of command, to persuade instead of to compel, to summon or cite instead of arrest, to liberate the human dignity from embarrassment and duress are wise policy decisions in observance of the civilities of public office.

Through the varied disciplines of police training, you are expected to rise above the level of this unfavorable climate. You are to treat criminality as a complex social illness which can be traced from man's birth to death, and human dignity must not be violated. You should consider your position not as a source of power which will compel respect but one in the judicious exercise of which will earn respect; you should perform your duties with candor and zeal without wanting unnecessary fanfare, with complete impartiality to all without distinction as to social position, race, color or creed; and with that degree of pride, dignity, and courage, so inherent in the profession you have chosen. In this broad concept, we hope that you may render a more positive philosophy of public service. But you should never forget that more than training, manpower, money, and material, the climate for the proper growth of police service as a profession begins and ends with you and with no one else.

Source: Presidential Museum and Library

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**NATIONAL GOVERNMENT PORTAL – EDITED AT THE OFFICE OF THE PRESIDENT OF THE
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Speech of President Macapagal before the 54th Annual Convention of School Superintendents

**Speech
of
His Excellency Diosdado Macapagal
President of the Philippines
Before the 54th Annual Convention of School Superintendents**

[Delivered in Baguio City, April 18, 1963]

THE ROLE OF PUBLIC SCHOOLS IN ECONOMIC PROGRAM

COMPETENT observers have pointed to the fact that our progress in education has been advancing farther than our economic progress. We acknowledge that this fact was one of the factors that persuaded us into placing emphasis on the formulation and implementation of a socio-economic development program at the inception of our Administration. In doing so, we anticipated that in due time, we would seek to bring to bear the blessings of our advanced educational progress to assist in the advance of our economic program. The time has now come when we must increasingly gear our educational system to the requirements that would promote and insure the success of our blueprint for economic progress.

It is, therefore, gratifying that you have chosen as the theme of your annual convention this year “The Role of Public Schools in Implementing the Socio-Economic Program of the Administration.” It is our hope that you will not limit your discussions during the convention to the food production phase of the Program, but will examine its other aspects. The socio-economic program has to be viewed by you in its entirety, otherwise the program will not have the vitality and validity that it should show in your work as administrators of our school system and educators of our youth.

It is desirable that there be not only concurrence among all the elements of the program, but also that these elements be impelled to purposive and decisive action by some central, dominating force. This program of our Administration being an integrated socio-economic pattern of development, if we are concerned with the realism that is the program we should even be more concerned with the dynamism that should animate and pervade it. And dynamism has to do as much with moral and spiritual as with physical and material forces.

On this basis, we ask for a more vigorous support on your part of our socio-economic development program not simply on its phase involving food production but on all the other components of the program as well.

More than a year ago, on our assumption of office, we elaborated on the twin major problems that confront this country—the need for moral regeneration and for a faster rate of economic growth. We also announced our determination to resolve those problems to the end that we might build the economic and social progress that has become the imperative demand, the insistent right, of all our people. With due allowance to the view of our detractors, we feel that we have kept faith with that determination. We now renew our pledge to let no divisive or degenerative influence deter us from the maximum fulfillment of the goals which our Administration has set for the lasting well-being of our people.

We need the cooperation of all men of good will in our effort. We need your unstinted cooperation. In the task of moral regeneration, we can think of no better group that can best exemplify the meaning of morality than our teachers—125 to 130 thousand of them daily unfolding the minds and inspiring the hearts of 4,500,000 school children throughout the length and breadth of our land. In this connection, it is well to stress the truism that morality is not merely taught; that it is best acquired and best appreciated when caught. Moral standards—moral principles—

should become the possession of our teachers not by compulsion from without but by choice from within. Indeed, where these standards or principles are concerned, the compelling motive of our teachers should be, not necessity, but spontaneity—spontaneity born of the realization that the highest and, in effect, the most practical truths in life are moral truths.

We would be lacking in candor if we did not point out that there have been instances that have created an unfavorable impression about the rectitude of some of our school teachers and school officials, which we trust has now subsided. Among these instances were the cases of school teachers who participated in irregularities in order to obtain required civil service eligibilities or the cases of school officials who have engaged in the undesirable practice of receiving gifts consisting of chickens, food, and other things from teachers and prospective teachers. We urge that measures be taken to eradicate completely these practices because they are a blot to the noble name of the school teachers and their superiors. These practices encourage and abet gift-giving, bribery and corruption and are contrary to the duty of school officials and teachers to set the moral example for their pupils and for the community and are contrary to the moral regeneration which we must all work together to achieve for our people.

We ourselves believe in the capacity of our school teachers for an upright life to the extreme of personal sacrifice. I had an elder brother who was an elementary school teacher assigned to the barrios of our hometown before the war. With the meager salary of school teachers at that time, he supported his wife and six children. Although it was difficult to support such a big family with his meager salary, he never resorted to any improper means to increase his income or to lighten his load, and he stuck to his rigorous code of uprightness and living strictly within his salary to the extent that when he got seriously sick, he was unable to provide for the medicine that he needed to recover with the result that he died in line of duty as an upright, hard-working, and sacrificing school teacher.

The experience and death in line of duty of my brother had such a strong impact on me that it has produced in me equally strong and lasting impressions, the first of which is that with the proper leadership and encouragement, our school teachers and school officials are the most upright, hardworking and sacrificing public servants in our government.

Among the various components of our Nation and national life, there are vital ones although all have their varying importance. We have had occasion to point out that among these vital ones are our armed forces or our soldiers because they safeguard our security and democracy and they offer even their lives in the service of our country and in the building of our Nation. It was in this conviction that in our Administration, we have bolstered the morale of our armed forces, raised the salaries of its enlisted men and officers and provided a program of better housing for the soldiers and their families.

We say now that side by side with our soldiers as a vital component of our Nation and not inferior to them are our soldiers in the battlefield of peace in the education of our children—the school teachers who are second to none in noble service to our country and in the building of our Nation. We say, therefore, that as we took measures to give recognition to the prime role of our soldiers in our democracy, we are equally prepared to formulate measures to give also due recognition to the prime role of our school teachers in our democracy in the rearing of good citizens and the future leaders of our Nation.

I am myself a product of our public schools and a handiwork of our public school teachers. Belonging to one of the poorest families in our country, I could afford only and barely education in the public schools from the primary grades to liberal arts which I completed with unspeakable hardships at the state university. Having thus obtained completely my foundational education from public schools, I thereafter managed to go on in my career until I became the President of our country. We, therefore, submit my case as an exhibit of the incalculable service of our public school teachers in our democracy, which is so efficacious as to be able to perform the miracle of rearing and moulding the son of one of the very poorest families to become president and highest leader of the Nation—a fact which establishes beyond doubt that the maintenance of our democracy, the strengthening of our Nation and the lasting well-being of our people lie in their highest essence in the hands of our hard working, dedicated, patient and sacrificing public school teachers.

Another strong and lasting impression that I carry to this moment about our school teachers is that despite the salary increases that our school teachers and school officials have received, especially during the first LP administration, they are still underpaid, hence efforts should be exerted and means should be formed to increase further the salaries of our school teachers and school officials.

Still another strong and lasting impression that I bear to this moment is that our school teachers are entitled to better hospitalization facilities in cases of sickness and to other benefits that are commensurate to their lifelong service of hard work, uprightness and sacrifice. We hereby direct Secretary Roces to formulate and recommend concrete measures to us to provide for better hospitalization and necessary benefits for school teachers for adoption and implementation.

We have recommended to Congress the enactment of a school financing measure that would assure adequate revenue to meet once and for all the annually recurrent problem of extension classes and lack of school buildings. It seeks to provide for a school tax of P2.00 to be constituted exclusively into a school fund. It is our hope that with the enactment of this measure, we shall not only be able to provide with regularity and adequacy the extension classes and school buildings but enable the government to increase the salaries of school teachers.

We are gratified that from a survey made, our people are disposed to pay this special school tax, knowing that it will be used exclusively for the education of our children and will not be used for any other purposes, much less for graft and grafters. The public support for this tax proves once again that our people will go to any length of sacrifice for the proper education of their children, and indeed, our people are ready to undergo sacrifice provided that such sacrifice is for the economic and social progress of the country and provided that their leaders in the government show that their government officials and leaders also sacrifice themselves for the good of the country and not sacrifices the good of the country for their selfish interest.

Reverting to our program of moral regeneration, a situation conducive thereto is possible only where the general atmosphere of the community or country has been cleansed of corrupting elements. This is the reason for our crusade against dishonesty and venality in the government service and against the subtle and insidious wiles of vested private interests that would dare impinge upon our social conscience. We ask you, superintendents of schools and the teachers under you, to participate in this crusade and by participate, we mean—by actual deeds rather than by empty declarations.

To endorse the campaign without practising what it preaches is to condone a moral vacuity—and this we will not tolerate. We ask you to set the correct moral tone in all your actuations in your respective divisions. Do this earnestly, energetically, courageously. In grappling with any festering moral maladies, there should be no half-way measures.

Now let us turn to the other problem—that of hastening the tempo of our economic growth. We are glad that our public schools are giving increasing attention to work education and vocational education, and are otherwise gearing their goals and activities toward the economic development of the country. In all the underdeveloped or developing countries—and the Philippines, unfortunately, still falls under this classification—there is enlarging appreciation of the fact that the compulsions of economics have to underscore and underwrite all educational plans and policies. It is the realization of this inevitable interaction between these two great fields of endeavor in the life of a people which have led an educationist and expert to advocate what they call “an increase in the economic viability of the educational system.” As we said on another occasion, this simply means increasing the capacity for production of the educational system in terms of real, indispensable, and unequivocal services to the people.

In respect specifically to food production by our school children, the figures raise very sanguine expectations. For the academic year 1960-1961 alone, the public schools realized from school and home garden projects, including animal projects, a record production of approximately P65,000,000. We are impressed by your objective to get each school child to credit himself annually with at least P20 worth of produce. With 4 million children, not to mention their teachers under our public school system, this could mean a total of almost P100,000,000 a year. Plan and labor so that you will achieve this magnificent goal at once, and if there is anything I need to do to help you, let me know for I will give you my full backing.

Another specific field in which you can measurably contribute to our economic development is in the promotion of cottage industries. One phase of our program is a massive development of home industries through the NACIDA in order to materially help in meeting the grave problem of underemployment and unemployment and to constitute as an important segment of our industrialization program. We urge you to give the fullest assistance and collaboration to the NACIDA which we have instructed to avail of the experience and know-how that you have developed in this field with distinction.

Still another field in which you can assist invaluablely in our program is by disseminating the correct facts, information, and perspective regarding our economic effort. You and the teachers under you are the intellectual leaders in our local communities throughout the country. Information coming from you carries weight, prestige and credence to our people. Ours being a free democracy, we have an opposition that systematically seeks to debunk and undermine the endeavors of the Administration for the sheer sake of opposition. As true and impartial guardians of our democracy, you can serve the people and our program by merely stating the facts and presenting the correct perspective in the localities where you serve.

We should ask you in your tasks to guard against any enthusiasm of the “ningas-cogon” type. If nothing worthwhile in this world is achieved without intensity of efforts, so can nothing really lasting be accomplished without persistence and continuance. Our interests and energies in the activities of our positions or professions must be of the sort that lasts.

We ask you also to avoid any duplication of activities. Genuine economic growth, if it seeks ever-increasing productivity, steers clear of any direct or indirect dispersal and wastage of human effort.

We need not dwell on the other phases of our Administration’s socio-economic development program—which by now, especially because of the series of seminars for key government officials held everywhere in the country—should be familiar to you all. We need not dwell on the other activities of the public schools—to cite but one instance, the training of skilled manpower for our farms, fisheries and industries— which can serve to advance the purposes of the program. Through Secretary Roces, we are ready to listen to whatever plans or proposals you believe should come to our attention,

It remains for us to say that, if we insist on moral regeneration, it is to the end that our people can walk erect, and work well, in an atmosphere relatively rid of fraud, relying only on the strength of their talents and the tenacity of their spirits to pursue the aspirations they devoutly desire. If we desire a faster rate of economic growth, it is to the end that our people, a sizable segment of whom have for long been shackled to virtual economic serfdom, will come by just returns for their labors and in time see the dawn of a better day for themselves and their families. If we want our integrated socio-economic program to succeed, and succeed it must it is not for ourselves but for our people—the people to whom we are united by indestructible bonds of devotion and dedication to duty, the people whose united wish is our paramount work and will.

The public schools constitute our most expensive social service. For Fiscal Year 1962-1963, the appropriation for them is P436,126,830—representing approximately one-third of the total expenditures of the national government. It is precisely because public education is our greatest investment that our people have the right to expect from it the greatest possible returns. This poses for you more than a passing challenge. We are confident that you will not fail our people.

If it is necessary to shift emphasis in our educational work, if it becomes essential to revise the educational system itself, let us not hesitate to do so. We agree with Ruskin that education does not merely mean teaching individuals to know what they do not know, but it means teaching them to behave as they do not behave, to act as they do not act, in the vibrant light of the stern realities of their day. Our educational system in the Philippines must accordingly conform to the changing times and be continually responsive to all urgent demands—be these demands intellectual, moral, or utilitarian. It must inevitably have its anchorage in our faith in the common people, in our obsession for their welfare—and should ever seek to give to our beloved people and their children, such training as will imbue them with the values and virtues of right, dignity, and honor, and otherwise prepare them to face the future not only with a stout sense of confidence but with a spirit at once free, creative and virile.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

[Delivered at the Plaridel Temple, Manila, April 23, 1963]

The life of an individual has a material and a spiritual basis. The life of the nation has an economic basis and a spiritual basis. We must build all life—individual, national, and international—upon sound economic and spiritual foundations. To this end I have presented to the honorable members of the Congress an integrated socio-economic

development program and a program of moral regeneration. But my appeal for cooperation along these lines is not only directed to those in the government. It is directed to such men as you, to all citizens and other residents in the Philippines. Nation-building, let me say for emphasis, is a difficult and complex task necessitating full and complete cooperation. It demands hard work and much sacrifice and for the common good I am unceasingly seeking to enlist the interest, the attention, and the collaboration of all elements of our cosmopolitan population not as President of one party but as President of the entire nation.

There are many among you who are actively engaged in business. Many, if not all, are concerned with economic enterprises. You are aware of the common problems of labor and capital. I ask you to get behind the integrated socio-economic development program of the Administration. In so doing, you will be contributing toward attaining common prosperity and toward strengthening the economic foundation of the Nation.

For the achievement of the objectives of the socio-economic program and its effective implementation, there is absolute need of real and smooth executive-legislative collaboration. In the beginning we were hampered by the lack of a working majority in the two houses of Congress. While I must recognize the spirit of cooperation and unpartisanship among senators and representatives, for which we must be grateful, the difficulties are readily apparent in the face of the patent fact that while we of the Liberal Party captured Malacañang, our highest goal in the last election, the Nacionalistas had control of both the Senate and the House of Representatives. In the House there were seventy-four Nacionalistas and thirty Liberals. On March 9, 1962, however, the Liberal Party wrested the speakership by the election of Representative Cornelio Villareal as Speaker. In the Senate there were eleven Liberals, twelve Nacionalistas, and one Nationalist-Citizen. When Senator Balao joined the Liberal Party, a deadlock for the Senate Presidency ensued. As early as January 28, 1962, I stated: "I am confident that Senator Marcos will, in a short time, bring new laurels to our party and become the President of the Senate." This did not eventuate "in a short time" but on April 5, 1963, the Senate elected Senator Ferdinand Marcos its President. This is a great step but it should be known that the Liberal Party does not yet have a controlling majority in the Senate. I mention these facts not to bring politics to this non-political group but simply to clarify a situation in a democracy which often presents formidable obstacles that do not preclude obstructionism.

From the beginning I busied myself with the alleviation of the plight of the common man. It was thought that the government should set in motion a comprehensive program on rice and corn which shall achieve self-sufficiency in these cereals at prices within the reach of the masses. Thanks to the cooperation of the Congress a law was passed for the establishment and financing of a Rice and Corn Administration to implement the program.

We readily realized the ills that stem from unemployment and underemployment. Recommendations were presented to Congress to support employment projects that not only create jobs but will also increase production and productivity. Executive and legislative cooperation resulted in the creation of the Emergency Employment Administration. We shall push forward with a view to assisting private enterprise in creating job opportunities. Realizing that it is not only the insufficiency of job opportunities that causes unemployment but the inadequacy of the preparation and training of our youth I presented the problem of unemployment to the Division Superintendents of Schools in convention assembled to enlist the assistance of educators and educational institutions in the solution of this basic socio-economic problem which is aggravated by the population explosion. The over-all program envisages raising the living standards of the people and this includes improvement in clothing and shelter, expansion of public services such as public health and education, intensification of public works that promote production, like irrigation, flood control and roads connecting agricultural areas to market centers, and increasing the income of wage earners, of families, and of the nation as a whole.

I shall not dwell on the various economic, banking and financial measures that were presented in my first and second state-of-the-nation addresses and other messages. They are numerous and comprehensive, calculated to solidify the economic foundation of the nation. Not unmindful of the need of protecting the preferential rights of Filipinos in certain economic fields, this Administration is definitely committed to attracting foreign investments.

This Administration wishes to assure just and fair treatment to foreign capital especially with respect to the repatriation of capital and remittances of profit. Needless to say, this massive socio-economic program calls for adequate financing from governmental and private sectors. To this end and for this purpose I have submitted proposals to re-examine and revise the tax structure to ascertain the impact of the tax rates on investment activities,

and living costs. To advance industrialization and to foster progress and to achieve prosperity, specific measures have been presented to amend banking laws, to improve financial institutions, and to increase the capitalization of the Development Bank of the Philippines for lending purposes and for expanding its authority to grant long term industrial and investment loans for productive enterprises.

Let me now devote the balance of my address to the other important, if indeed not more important, foundation of a stable and progressive nation, the spiritual. In my inaugural address of December 30, 1961, I said: "It is not our only task to solve the immediate problems of the present and build materially for the future. The structure of this Republic must be built not only upon material but more so upon spiritual foundations."

You who are here gathered for your Annual Communication and the hosts of other Masons who pilot lives by the principles of liberty, equality, and fraternity; men of your Venerable Order who are firm and steadfast in laboring to anchor all life in virtue and morality cannot but share in the common task of building this nation upon the sound foundation of spirituality.

The spirituality of the Filipino people is enshrined in two Constitutions, that of Malolos and the one under which the Republic now operates. In the Malolos Constitution the framers were unequivocal in seeing to it that the people rely on the Supreme Legislator of the Universe. In the present Constitution we see the preamble beginning with these awe-inspiring words: "The Filipino people imploring the aid of Divine Providence." We who believe in one God must make it our supreme business together to build this nation upon sound and lasting foundations.

I have made it my first mission to tackle the problem of graft and corruption. The people elevated me to the presidency when our Nation was in the throes of unprecedented moral degeneration, when graft permeated every level of government. This Administration made the solution of the problem of corruption its immediate and primordial concern, I believe you are aware that by precept and by example I have taken and am taking definite steps to institute moral reform.

The relentless drive against graft and corruption has been both positive and negative. As I reported to the recent Convention of the Liberal Party the positive measures constituted, among other things, such steps as the presidential family and key officials setting the right example, considering integrity and honesty as the prime qualifications for sensitive positions, banning presidential relatives and others from influence peddling and prescribing procedures that would prevent occasions for corruption. The negative drive constituted in the prosecution of wrongdoers as a deterrent to the recurrence of wrongs. To avoid nation-wide tension that might fatally jeopardize our economic and social program and in the people's interest we sought the purpose of deterrence by limiting prosecutions so far to significant and exemplary cases. There is one feature of our limited punitive actions to which your attention is invited. It is the fact that this Administration has departed from the old way of treating the "big fishes" differently from the "small fry." Now there are no more "big fishes" and "small fry" in the eyes of the law and in dispensing justice. Under a sound government no man is above the law and under my oath I am pledged to execute the laws and do justice to every man.

On my twenty-first day of office I took a bold step to implement decontrol. This was done not only as an economic measure but as a part of our avowed policy of moral regeneration. It was designed not only to unshackle the economy so that through its innate vigor it may propel its expansion in free enterprise but—and this I stress—to remove an important and tempting source of graft and corruption. Our decontrol program has merited financial support from external sources. With full cooperation it will pave the way for a strong economy and prosperity in freedom for our people. Economics and morals are interdependent and interbound. This suggests a deep significance of our act of removing controls. Exchange control meant tremendous economic power and political power in our hands as president but knowing that controls had not only exhausted their economic utility but may be the main source of graft and corruption, we voluntarily gave up this tremendous economic and political power in our hands because it was demanded by the well-being of the Nation.

Indeed, we have to strengthen the moral fiber of the Nation. This may be achieved in part through formal modes of reform, through enforcement of statutes, through character education in the home, in the school, in the church, in the government, and in civic and fraternal organizations such as yours. We can not overemphasize the role of moral

leaders and the power of example. We deplore the seemingly increasing cases of juvenile delinquency. We, of course, believe in raising the young in virtues and morality. But our efforts are often negated when the young notice that some of the elders and leaders are neither virtuous nor moral. We must therefore see to it that the practices allowed by law in government and business in the professions and labor unions, in field and factory, yes in all areas of national endeavor conform as much as possible not only with what is legal but what is moral as well.

One specific recommendation made for moral renaissance is the establishment and financing of a Moral Commission composed of outstanding and upright leaders in government, religion, education, and the professions. This Commission shall study and recommend ways and means by which all elements and institutions of the country may be mobilized towards the goal of national moral regeneration.

In making appointments to sensitive and responsible posts in the government my guiding criteria have invariably been integrity, competence, and dedication. Such cannot but be pleasing to you because you as votaries of Freemasonry are given definite moral charges thus: “. . . practice the domestic and public virtues. Let temperance chasten, fortitude support and prudence direct you, and let justice be the guide of all your actions.” As President I am sworn to “do justice to every man.” Likewise, together with other government officials, I am in duty bound “to preserve and defend the Constitution.”

The Constitution, in its letter, spirit, and philosophy is not only a legal document. It is an instrument for the moral order in its highest and best sense. The framers of the Constitution were statesmanlike in prescribing the fundamental objectives of all schools giving primacy to moral character. (Article XIV, Section 5.) They were dictated by a high moral code when they include the prohibition of any Senator or Member of the House of Representatives directly or indirectly to be financially interested in any contract with the Government or any subdivision or instrumentality thereof, or in any franchise or special privilege granted by the Congress during his term of office. . . .” (Article VI, Section 17.) Consideration of good morals is behind the provision that “the heads of departments and chiefs of bureaus, or offices and their assistants shall not, during their continuance in office, engage in the practice of any profession, or intervene, directly or indirectly, in the management or control of any private enterprise which in any way may be affected by the functions of their office.” [Article VIII, Sec. 11, (2).] The principle of morality applied to national and international life is at the root of the declarations on “the promotion of social justice to insure the well-being and economic security of all the people” and on the renunciation of war as an instrument of national policy and adoption of the generally accepted principles of international law as part of the law of the Nation. (Art. II, Sections 5 and 3.)

With a body of thinking and reasonable men like those before me it is so easy and tempting to go on and I am loathe to close but close I must. In concluding I wish to thank the high dignitaries, officers, and delegates for honoring me as your guest on this Annual Communication and I now bid you not adieu but *au revoir* confident in the belief that the objectives indicated and the thoughts here presented found cordial receptivity for, if I mistake not, they fully conform to the noble ideals and lofty principles which you and the Venerable Fraternity hold dear and sacrosanct.

Source: **Presidential Museum and Library**

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Address of President Macapagal before the Philippine Medical Association

Address of His Excellency Diosdado Macapagal President of the Philippines Before the Philippine Medical Association

[Released on April 24, 1963]

OPERATION COMFORT ROOM IN RURAL AREAS

FRANKLY, we do find much need to make a speech to you because you know much more than we do about the medical profession. We note from the theme of your convention that you are supporting the socio-economic development program of our Administration, so you can also count on my support and that of our Administration in your problems and needs both in your private and public responsibilities.

Indeed, the doctors have both private and public duties. These dual duties are exemplified in the set-up in the hospitals where there are private and charity wards. Your private duties are those which you owe to your patients, especially the paying patients; your public duties are those which as citizens you owe to your country. To a large extent, you discharge your private duties individually and discharge the public ones collectively, such as through the Philippine Medical Association. We need not refer to any length to your private duties to your patients because that is best taken up among yourselves. On this, we need only express the admiration and gratitude of the general community towards doctors and their profession. It is expressive of this public gratitude and admiration for the medical profession that the picture of the profession by Sir Luke Fields has evoked lasting fascination.

In this immortal picture, a little girl lies desperately ill—apparently with diphtheria. Her parents stand by, humble, fearful, but trusting. The entire room bespeaks poverty. Beside the improvised bed sits a doctor, clothes rumpled, head bowed. It is obvious that he is keeping a solemn vigil—that he will stay with her until either the crisis has passed or death has claimed her. It is uniquely obvious that there is little else he can do, except offer his comfort, friendship, and prayers. This touching picture, like thousands of deathbed scenes in fiction, is portrait-wise anachronistic today. A child so desperately ill would likely be in a hospital. A nurse would probably be beside her. Between her and her parents would be an oxygen tank, perhaps a transfusion machine, or even a heart lung device. Her personal physician might or might not look in on her during the night; instruction would long have been delivered to the nurse and hospital resident doctors.

Despite its apparent anachronism, the picture eternally appeals to people's sentiments. It has the warmth and intimate concern that no hypodermic needle, no complex machine of steel and tubings can replace, however effective they may be.

The origin of the traditional regard for the doctor reaches deep into the past. From the beginning of medical history, the practising physician has been part technician, part personal or family counsellor. In modern times, medicine has become more scientific, but the traditional reliance on a mystical force and highly authoritarian doctor-patient relationship exists to a degree unknown in other contemporary human relations with the exception perhaps of the priest-parishioner in certain religious groups. The relationship of citizen and state, of employer and employee, of teacher and pupil, or parent and child has undergone profound changes as a result of the technological and socio-economic trends of the past few centuries. But the doctor-patient relationship essentially remained the same. Because of this, doctors exert profound influence over the people which make them persons to be contended with, revered, and respected in the community.

Perhaps, the most outstanding example of a man who kept and helped foster the sacred regard for the doctor attitude was Sir William Osler. His whole life was dedicated to the noble traditions of the medical profession. "Noblesse oblige," the democratic concept that a privileged position, no matter how well earned, imposes a sense of obligation to those less fortunate—was the basis of his philosophy.

“Think not,” he said, as he exhorted medical students at the University of Toronto, “to light a light to shine before man that they may see your good works, physicians, and priests, sisters and nurses, all over the world, the members of which strive not, neither do they cry nor are their voices heard in the streets, but to them is given the ministry of consolation in sorrow, need, and sickness. Like the ideal wife of whom Plutarch speaks, the best doctor is the one of whom the public hears the least.”

We have our own Dr. Oslers, men and women who lived and kept the ideals of the medical profession untarnished and sublime. We have such great medical men as Rizal, Guerrero, Miciano, Singian, Sison, and many others, who are beacons of your profession. Many among you are awaiting your share in the service of your profession and of your country. The influence you exert on the people is your greatest asset. You can channel it for good and for productive pursuits.

This brings us to your public duties, to your duty to your country. It is in contemplation of this public duty of the medical man that we have figured on the influence that you can cast in the program of government that we have initiated. You can be worthy and active participants in our scheme to bring about a healthy citizenry which is the cornerstone and the indispensable foundation on which a sound socio-economic program will be built.

The public duty of physicians generally done in a collective manner is, of course, discharged most extensively by the doctors who have dedicated themselves in a public career in the Department of Health. Firmly believing in the value of health and in healthy citizenry in the development of our country, and concerned with the health problems that beset our people, I have given full and continuing support to the Department of Health in its program of intensifying disease prevention and expanding facilities for medical and hospital care.

On more than one occasion, I have underscored the theme on which this Administration seeks to gain public approval—the uplift of the masses. In line with this elemental principle, we have taken bold steps after we assumed the helm of the national government. Thus, we have initiated a five-year socioeconomic program in the firm conviction and resolute faith that it is the most potent weapon with which to tackle the nation’s primary concern—economic stability.

At a time when our country’s fiscal posture is in dire need for bold measures which our predecessors feared to take I find relief in the Philippine Medical Association’s Convention theme—“The Role of the Medical Practitioner in the Socioeconomic Development in the Philippines.” While skeptics are busy finding faults and shortcomings in the program, you have given it hope and encouragement. I do not, therefore, hesitate to express my gratitude for your acceptance of my Administration’s five-year integrated socio-economic program.

We do not have to recall the distant years behind the life of the Association to see the salutary influence it has exerted on the public health in general and on Philippine medicine in particular. Your activities have been varied yet all of them point to one direction—toward stressing the need for a better health system through the role played by the individual practitioner. For instance, you participated in the “Doctor for Doctorless Areas” project of the Department of Health. You initiated the drive for the raising of standards of medical education, resulting in the passage of the Medical Act of 1959. You also assisted the Department of Health to formulate a Philippine National Health Service Plan. Quite recently, you made available your entire manpower to help combat cholera El Tor, and prevent entrance of smallpox in our country.

These are but a few of the many accomplishments of the Association in the discharge of the doctor’s public duty. The achievements of the Association which we have just highlighted show beyond doubt that it has grown with the times. For this reason alone we can be certain that you will take further steps towards growth attuned to the needs and circumstances of the times.

Notwithstanding the giant strides taken by Philippine Medicine due to the collaboration and partnership of both government and the medical profession, there is still the need to make our health facilities more accessible to our less fortunate countrymen. To offset the imbalance proceeding from the divergence of the financial abilities of our social structure, our Department of Health has always striven, as it continues to strive, toward an expanded health service. The Department of Health has embarked on a program of improving environmental sanitation as part of its

disease prevention campaign. The catch phrase is “keeping well people stay well.” Hospital services are also being improved and expanded to serve more people, and the over-all medical care readjusted to more effectively conform with the increasing needs of our masses in these changing times. In support of these on-going services, I included an increased budget for the Health Department—from P94 M in this fiscal year to P111 M in next fiscal year, which means P17 M more for our over-all health activities.

The Rural Health Act, which I had the privilege to author, will be amended to expand its scope and amplitude to meet the needs of our rural communities, especially in the frontier areas where people are beginning to migrate in search for better opportunities.

But all these, of course, can be rendered difficult unless a more effective health education program is launched and carried to a successful termination. We know for a fact that the Philippine Medical Association has done its share in this direction and it is hoped that it will continue doing so.

In many phases of the public health service, you can contribute immensely. You may:

1. Represent the private sector in our total health effort.
2. Increase your health and medical facilities to meet the increasing needs of our people rather than depend solely on our government.
3. Intensify your health education and research activities.
4. Assist in the rapid and general improvement of the hygienic conditions in which the masses of our people live.
5. Project your horizons beyond the confines of our country to Southeast Asia.

We would like to say a word on the fourth contribution that you can make to the Nation’s effort, which is to assist in the rapid and general improvement of the hygienic conditions in which our people live. It was with this end in view that I have taken up with Secretary Duque the project to establish comfort rooms in the rural areas throughout the country. This is one phase of the health conditions of our people that is appallingly unsatisfactory and yet has been neglected. We commend Secretary Duque for focusing attention on this problem. Although we have many health problems, it is desirable that in our approach to our multiple problems, we single out particular ones for concentrated attention at a given time.

We urge, therefore, that while we attend to all the health problems of the country, we single out for increased and joint effort the need for comfort rooms in our rural areas. As in the case of Secretary Duque, we have directed the PACD to attend to this problem and devote to it intensified effort. We now ask you to join in undertaking this project in the largest magnitude possible. We would like to propose on this occasion that the Secretary of Health, the head of the PACD, and the President of the PMA get together on this “Operation Comfort Room in the Rural Areas” because of our belief that if this special operation of health service to our masses can be undertaken enthusiastically as a joint project of the Department of Health, the Philippine Medical Association and the Presidential Assistant on Community Development, the result will be an amazing revolution in the hygienic and health lives of our countrymen in the rural areas and a demonstration that the medical profession is truly a vital force in the promotion of the health of the masses of our people not only in words but in truth and in deeds.

By attending efficaciously to the five phases of service which we have enumerated, you will merit the benefits accruing to the medical profession in this country and likewise help us in the great task of nation building.

In this manner, governmental administration can better concentrate on other equally pressing problems. The objective is monumental; but it poses a challenge to our collective attitude as a nation. Many challenges have been posed before us and we have not shirked. We are sure that we Filipinos can stand one more challenge. We have in the past, and will do so in the future. It is so written in our destiny.

In urging you to this endeavor, we are inspired by the efforts exerted by the members of the Philippine Medical Association in the past in the uplift of the state of health of our people. We appreciate the worthy, self-sacrificing contributions which you, individually and collectively, have made to enhance the scientific advancement of our

nation. As a token of that appreciation, and in recognition of your many achievements, I shall continue my policy of appointing illustrious members and leaders of your great association to various important positions in the government to be responsible for the conduct of the affairs of this Administration.

The future holds greater and perhaps more trying opportunities for you to serve our people. You may rest assured that I stand behind you always in the realization of our common goals.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal before the Bus Operators Association of the Philippines
Address
of
His Excellency Diosdado Macapagal
President of the Philippines
Before the Bus Operators Association of the Philippines

[Released on April 30, 1963]

**Towards
Transportation Service**

a

Better

I AM COGNIZANT of the problems that beset the land transportation industry. I know that you are handicapped by high operating costs and by relatively low income. You are plagued by the prices of gasoline, oil, equipment and spare parts. The maintenance expenses of your business have been affected by the inflationary trends of the times. Your business is under close government regulations. The rates, which you charge, must be approved by the Public Service Commission. You cannot charge any fare that you desire.

I must say that your problems cannot be solved by simply increasing the rates that you should be allowed to charge. Increasing transportation rates is a highly sensitive matter. Any increase in rates will have instantaneous repercussions in the different areas of our economy. If passenger rates are unduly increased, the traveling or commuting public, more numerous than car owners and motorists, will surely complain. If freight rates are unduly increased, farmers, merchants and middlemen, engaged in shipping goods in public conveyances and who are not provided with their own transportation facilities, will complain or increase the prices of their commodities.

The Administration believes that the better policy is to hold prices down. Any move that will trigger an increase in prices and thus cause hardships to the consuming and riding public should be avoided as much as possible. Let us not aggravate the situation of the struggling masses.

On the other hand, the Administration views with sympathy and understanding the problems of bus operators. You are entitled to a reasonable and decent return from your investment. While it is true that you are rendering a public service, that does not mean that you should sacrifice your property and capital and should not be guaranteed a just and equitable earning.

I suggest that you formulate specific recommendations for the solution of your problems so that the Administration can study them and adopt them if found to be sound and feasible. Whether your problems can be solved by means of a subsidy, or by the elimination of certain taxes or by exempting from customs duties your importations of equipment and spare parts, or by a moderate increase in rates, will have to be thoroughly considered and weighed, in relation to other factors and circumstances. You can rest assured that judicious remedies will eventually be found for the amelioration of your difficulties.

On my part, while awaiting your recommendations, I have my own plans on how to help you meet your problems from the fundamental viewpoint of my socio-economic program. My Administration is pledged to the objective of assisting private enterprise perform its rightful function. This is not a commitment made upon the spur of this occasion. I quote from one of the opening paragraphs of the socio-economic program which I submitted to Congress last year:

“The role of the government is to create a favorable environment for and to assist private business in the performance of its rightful task of developing the country and its resources.”

I appear before you today to reiterate this pledge and to discuss with you the origin and cause of a basic problem confronting your industry as well as solutions which I propose to implement.

But first let me pay tribute to your fierce but responsible entrepreneurship. Yours is a business that operates under two disciplines. As a public utility, the land transportation industry is subject to the discipline of the State's regulatory power. Under its existing set-up as a private enterprise, it operates under the discipline of a fiercely competitive mechanism. But you as an industry continue to survive, a living refutation to the selfish sophistry of those who would establish the fear that national economic programming will kill the spirit of free enterprise.

Other industries, while also subject to the regulatory power of the State, are spared the discipline of competition by virtue of a monopolistic situation which they enjoy. And still others, while subject to the discipline of rigorous competition, are spared the regulatory discipline of the State.

The nature of your enterprise constrains you to operate under more restrictive conditions, but these have only served to stimulate your resourcefulness and business acumen.

But your spirit of enterprise, your resourcefulness and ingenuity, have not spared you from the plague of problems that now threaten your stability. For what is the actual situation of the transportation industry today? Voluminous studies, both by local and foreign research groups, have been made under the auspices of previous administration. Those studies have unanimously reported that the land transportation industry suffers from the depressive and debilitating effects of an excessive and wasteful competition. These studies have attributed the illness of your industry to the failure of previous administrations to formulate and implement an economic system of franchise allocation. Authority to operate transportation units in major areas were granted irrespective of whether public necessity and convenience demanded it.

“Without attempting a complete catalogue of deficiencies or prescribing detailed procedural changes to correct them—it may be helpful here to set forth certain facts and conditions encountered during the course of the survey that have a definite bearing on the presently chaotic condition of land transportation in the Philippines (excluding rail and other nonregulated carriers).

“1. There is no real attempt to ascertain the actual conditions or transportation requirements before granting certificates of conveyance and necessity, prescribing rates, or approving requests for additional units.” (Vol. LV, Economic Analysis of Philippine Domestic Transportation, page 94, Standard Research Institute.)

But it is the duty of the appropriate and franchising authorities of the State to *deny* applications for certificates of conveyance where there is no public necessity for it.

By legal and statutory mandate, your industry is entitled to a policy that would regulate competition and spare you from the consequences of a wasteful and uninhibited one. For there is an economic consideration which underlies this statutory mandate. It is that unless competition in the field of public utility were effectively regulated, the natural and inevitable consequence would be to impair the huge resources that have entered into its investment. An unstable public utility, suffering from chaotic competition, cannot be expected to render adequate and satisfactory service to the public. Financial losses suffered by firms operating in the industry are bound to be reflected in the run-down condition of their plants and equipment, and in a recklessness of operation dictated by the desperate need for clients and customers, thereby endangering lives and valuable properties.

The administration of the Public Service Act is subject to this injunction:

“The primary purpose of the Public Service Commission Law is to secure adequate, sustained service for the public at least possible cost *and to protect and conserve investments which have already been made for that purpose.*” (Martin, Philippine Commercial Laws, Vol. II, page 1175.)

Visual evidence merely confirms that judgment passed upon the defective franchise policy of previous administrations which have now resulted in a tremendous misallocation of valuable investment resources.

Where a certificate of conveyance is issued in a situation where public necessity does not demand it, the State in effect misdirects economic resources and threatens the stability of those that are already established in the industry.

Studies have not been wanting which point to an excess supply of transportation facilities as a basic cause of the industry's problems. But nothing has been done.

The reason, I submit to you, is because prior to my Administration there was no attempt (1) to formulate an integrated program of development which embraces both social and economic aspects of growth and stability and (2) to devise practical procedures by which to implement a program once established.

As I reminded Congress in my State-of-the-Nation Message last year.

"It is essential for the government to formulate and adopt an integrated economic program. Without it, all economic development efforts will be haphazard, sterile, and ineffectual. There will be uncertainty and the business community will remain in a state of doubt as to what economic policies, decisions, and activities the government will undertake.

"Past Efforts.—The sluggishness in the pace of economic development in recent years was largely traceable to our failure to officially adopt a concrete economic blueprint that sets down vividly the course *which the public authorities are to pursue* in the matter of promoting economic growth and which the business community and the people at large may utilize to advantage as a guidepost to their own efforts."

The key to an effective regulation and continued stability of the transportation industry is a policy of economic allocation of certificates of conveyance. Under my program, certificates of conveyance should be issued only upon clear proof of public necessity and with a view to its impact upon existing investments. My program is committed to a policy that would prevent, or at least minimize, misallocation of economic resources. It follows from this that, in the case of certificates of conveyance, the same shall be issued only when the appropriate regulatory authority has evidence showing that a misallocation of resources will not result therefrom.

If one may judge from results and the verdict of official studies, it would appear that, under previous administrations, dispensation of these certificates of conveyance was made in total disregard of the economic and statutory considerations that should control.

The case of *Saulog Transit v. Samala*, promulgated by the Supreme Court last March 30, 1962 (L-16232), judicially confirms the uneconomic policy of previous commissions. That case reversed a decision of the Public Service Commission which authorized respondent to operate additional buses in the Cavite-Manila line. The Supreme Court found that there was no public necessity for the additional buses that the Commission authorized.

The reason is that previous administrations were not systematically oriented to the massive economic problems of the nation. They were not economic-conscious in the full and coordinate sense. The regulatory agencies exercising vast and extensive powers of supervision over the economic activities of private enterprises vested with public interest, has no economic direction, and suffered from a want of a national policy guideline. As a result, crucial decisions were made in a haphazard manner, devoid of any economic criteria. The result was economic chaos, such as that which threatens the transportation industry in metropolitan Manila. As another independent research study has concluded:

"Fragmented management . . . is responsible for the *chaotic condition* of public transportation in Metropolitan Manila." (DC Transit Survey, p. 23.)

Those who would criticize the efforts of my Administration to implement a comprehensive and integrated economic program would do well to ponder on the result of lack of programming upon the transportation industry.

The immediate, practical relief to the problem of excess competition is to place a halt upon the issue of additional certificates of conveyance, and/or authorization to operate additional units in areas or routes of saturation. My office will shortly send to the Public Service Commission studies that we have conducted, indicating specific routes and areas, for a coordinated implementation of this basic policy.

It is also desirable that the *prior operator rule*, as established by our courts, be faithfully applied in order to prevent further fragmentation of ownership and management in the transportation industry.

But these are only initial, implementing steps. The results of a thorough, systematic study of the transportation industry being conducted by me and my economic staff shall be placed at the disposal of the Public Service Commission for its scientific guideline. Cost estimates of operation shall be made to determine what constitutes a fair rate of return on investments to which you are entitled. This would enable a strategic regulatory agency of the government to formulate case by case decisions on the basis of overriding economic principles and a stream of relevant facts about the industry. Henceforth, therefore, decisions of the Commission shall be economically meaningful, and coordinated with the broad objectives of a national program designed to maximize economic use of resources and to prevent misdirection and misallocation of the same.

Time does not allow me to discuss the numerous other problems of your industry as I see them. I chose to discuss the problem of saturation in particular because the same is a *case study* of the previous error of past administrations, the reasons for the error, and the necessity for applying the principles and solutions envisioned by my integrated program and procedures of implementation.

At the same time, I expect you to exercise a good measure of discipline within your organization, within the industry.

I expect you to rigorously comply with the laws and applicable regulations. Those who do not deserve to remain in the industry should not continue dissipating valuable resources and energy which can better be applied to other forms of economic activity.

And finally, I ask your full and unstinted support of my socio-economic program. This program is not the exclusive concern of the government that I lead. This program was not devised for the benefit of my Administration. This program was formulated for the benefit of the entire Filipino nation and different sectoral interests that comprise the general economy. This program, I repeat, is committed to the principle that "The role of government is to create a favorable environment for and to assist private business in the performance of its rightful function."

For the government to be able to perform its assigned role under my program, it needs revenues to finance the development of social overheads that would clear fundamental bottlenecks in the economy. As an example, for the government to be able to assist the transportation industry to extend its operations to the numerous communities that today remain isolated from the mainstream of commerce and industry, the government must embark on a massive but coordinated project of road and highway construction. This entails funds. An efficient system of roads and highways, extended to our remote barrios and isolated villages, will open new frontiers for the expansion of the transportation industry. But you, the representatives of private enterprise, cannot afford to open up new roads and new highways. The government must do this for you, and it will, under my Administration. Not roads half-completed, but roads which will serve an economic function.

If the revenue I ask seems extensive and massive, you would do well to ponder that previous administrations have dissipated the public funds that should have been applied to the projects which I now propose to undertake. I have inherited a legacy of misdeeds and massive waste of economic resources. My Administration has now been saddled by Providence with the task of facing the problems of the present and the future, burdened by the cross of an inglorious past.

But I have no regrets. I meet the challenge with full faith and confidence in the intelligence and understanding of the Filipino. However, I cannot carry this task alone. Even the full force of the government machinery cannot undertake this task alone.

I need your help and the help of all well-meaning citizens. If we are to leave to our children and our children's children a legacy worthy of ourselves, we must learn to work jointly for the realization of what to me has become a magnificent obsession—prosperity for all and a better life for the common man.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**Address of President Macapagal on Labor Day Address
of
His Excellency Diosdado Macapagal
President of the Philippines
On Labor Day**

[Released on May 1, 1963]

**Peaceful
for
Common Man**

**Revolution
the**

TODAY is Labor Day in many countries of the world. In the Philippines, this day is twice significant. For this year 1963 we mark the hundredth anniversary of the birth of Andres Bonifacio, the self-taught worker who founded Asia's first social revolution in our soil seventy years ago.

There are few labor movements in the world that historically may claim so noble a lineage. When workers today speak of reforms, they must bear in mind that the greatest reform movement ever initiated by our workers was the Philippine Revolution of 1896.

The revolution of 1896 was to a large part inspired by the people's agrarian grievances. Our own national hero, Dr. Jose Rizal, was our greatest land reformer who had the prescience to anticipate the two complementary solutions to the land question: abolish tenancy and open up new lands for cultivation. He fought for the titles of the Calamba sharecroppers and during his exile opened up new lands in Dapitan. When such reforms proved unavailing, the stage was ready to admit a more dynamic personality in Andres Bonifacio.

The Cry of Balintawak remains relevant to our own time. To the extent that the revolution sought to free the nation from foreign rules, Bonifacio and the Katipunan seems distant and secure in the vaults of history. To the extent that the revolution sought to emancipate the common man from poverty and social injustices, Bonifacio is still contemporary and alive, a source not of assurance but of inspiration.

The social goals of the Philippine revolution have not been fully accomplished. The encomienda system had taken other forms but the poverty and injustices that it bred are still with us. And so long as they prevail, the spirit of Bonifacio will refuse indeed to be consigned into oblivion, he will defy being reduced to cold stone as an object of veneration, he will continue to challenge us to keep going the revolution of 1896.

This Administration has taken up the challenge by launching a peaceful revolution for the common man. Our socio-economic development program is aimed at the liberation of the common man from poverty. That is why the "socio" precedes the "economic" in the naming of the program. The program is founded on the conviction that the most effective way of bringing about social progress for the underprivileged is through the rapid and widespread economic growth of the country that will extend its blessings to the poorest man in the land.

In the implementation of the program, this spirit of singular concern for the worker permeates. One of the three express major goals of the program is the alleviation of the plight of the common man.

In the implementation of the program, priority has been given to the abundant supply of rice and corn in order to assure the poor man of his food at prices within his reach. The qualitative and inexpensive "Pag-asa" clothes have been conceived to provide him with clothing. The housing agencies have been invigorated and the multi-storey tenement project has been launched to give him shelter.

The EEA has been established to give him acutely needed income. The NACIDA has been organized to supplement his meager earning. The NDC textile factory has been sold to the workers in order to usher the workers into the

responsibility of proprietorship. As this adventure in proprietorship for the urban worker succeeds, we shall be prepared to help the worker to become a proprietor by selling to him other government enterprises.

As we seek to make the urban worker a proprietor, it is our duty to make the farm worker the owner of the land that he tills. Thus, we have accepted the challenge of redeeming workers in our farms from a life of misery. We have sent to our Congress a land reform program whose success will at long last complete the task of Rizal and Bonifacio.

By enabling more than a million tenant farmers to cultivate their own land, we shall solve a permanent crisis in our society which has served to divide Filipinos one from another; we shall heal the wounds of centuries; we shall score a positive triumph over Communism, which seeks to appropriate Bonifacio as its symbol and the grievances of the masses as its own platform against us.

Land reform will give us leverage to raise our economic productivity not only in agriculture but also in industry. The rural areas will cease to be a passive but a dynamic factor in our economic development. A new mass market for industrial goods will develop as production and income increase among the farmers. A wider market will call for greater production; greater production will induce greater investment; greater investment will generate employment opportunities. There will be more factories, more employment, higher living standards for all.

Productivity gives the measure of living standards. That is why there can be no substantial increase in the incomes and welfare of the workers outside of real gains in economic development.

The essential ingredients of economic development are labor, capital and natural resources. There is no argument on which of these elements is most vital—vital as a basic resource of the nation. Levels of production are determined largely by the skills of people, their energy, drive and resourcefulness, and the manner in which these are applied in productive activity. The wealth of a nation lies not alone in its natural resources; not alone in the availability of capital; but in the ability of men, in the productivity of labor, in the quality of leadership for combining and utilizing capital and material resources at maximum efficiency. Yet in our farms today human resources go to waste, dissipated in a life of inactivity, penury and destitution.

Tenancy has consigned the farm worker to the last rung of the social structure. Hard work is unavailing to help him rise to a better life. The social dice is loaded against him. His efforts can only change things within the inevitable frame of pernicious institutional practices. Of course, he cannot sink any further for he cannot be any poorer. In the face of hopelessness, apathy and lethargy set in. Tenancy has set the barriers to the development of initiative and sense of responsibility. People produce little because poverty has reduced their efficiency.

Could this be the reason why Filipino labor was called inefficient by opponents of the Minimum Wage Law twelve years ago? When as a member of Congress I led the enactment of a law setting a floor wage, critics of the bill immediately demanded to know why we were for importing American wage practices when there was no parity in productive efficiency between American and Filipino workers. They conveniently overlooked the relationship between labor and energy. The development of skills is a matter of opportunity; energy is a matter of health—both of which are dependent on income.

This is why I hold that the government's land reform program is a matter of grave concern not only for us, in this Administration, but also for the trade unions.

For this program constitutes the most rational and feasible approach to the problem of increasing our productivity and, therefore, the real incomes of labor.

It is also the increase in productivity that will, more than any other expedient measure, effectively absorb undue fluctuations in prices and guarantee the consuming masses against the loss of purchasing power.

But far more important, higher income will mean wider opportunities for education, for self-improvement, for increasing one's efficiency.

A corollary to land reform, therefore, is accelerated human capital formation. To this end we shall invest in the Filipino worker. We shall provide direction for our training activities in order to develop manpower consisting of the various skills that will fit in their proper proportion to the existing industrial pattern. With manpower data compiled and analyzed to determine labor requirements of industry, students can select educational fields that offer maximum opportunity.

Soon the Government shall establish a network of employment exchanges in all labor centers all over the country to facilitate mobility in the labor forces, occupationally and geographically. Through constant exchange of information, excess labor skills in surplus regions can be drawn to places of opportunity.

We shall encourage and assist management and supervisory development programs.

More rank-and-file workers will find employment as we improve leadership and managerial skills of our supervisory personnel because availability of competent professional managers attracts greater investment.

We shall establish practical training centers for the unemployed who desire to prepare themselves for jobs that are expected to come up in the course of our economic development; for those who desire to broaden their chances for employment by undergoing supplementary training; and for those forced into unemployment by technological changes and who want to acquire another skill.

Training programs shall be carried out in close cooperation with business and industry and with an eye on current and prospective manpower requirements.

Demonstrative of our determination to develop the skills of labor, we are establishing this year a University for Workers.

Thus labor will set the pace of our economic growth. And as we raise levels of production we shall give full government support to trade union action.

The Administration will work for a law that will bar the hiring of scabs during strikes.

Strikes fizzle out when strikers find themselves helpless in the face of professional scabs who break up picket lines and stir up violence. If action is not taken against them, unions will soon dwindle in number because membership in a union will just mean losing one's job and exposing one's self to physical injury.

There shall be stringent government measures against the formation of company-dominated unions.

The presence of a large number of company unions in the country has forced the dissolution of many independent unions and has placed unreasonable employers in a position to dictate terms of employment.

Appropriate legislation shall be secured to curb abuses in the issuance of writs of injunction in labor cases. The indiscriminate use of labor injunctions is an effective weapon in tying the hands of labor and placing strikes at the mercy of business firms.

We shall translate all these proposed measures into reality to secure the national welfare justly and equitably for all—from the poorest in the nation to the richest.

When critics say that I am opposed to the rich because I suffered poverty, they hint that my policies are inspired by bitterness. Bitterness arises from frustration, not from careers which through difficulties have matured into fulfillment.

Rather the experience of poverty has made me all the more aware of the frustrations of the poor. Believing in my oneness with humanity, I could not bear witness to the consequences of poverty without arousing my own impulses

towards helping to eradicate it among my own people. I have sought the gift of public office so that I may dedicate myself to the task of redeeming our masses from bondage of poverty and misery.

We are embarked on an economic revolution, but to a large extent, it is also political in character. It is political in the sense that the issues surrounding this revolution are subject to popular debate and the popular verdict. Long-entrenched vested interests of tremendous power have grouped themselves in opposition to the peaceful, democratic revolution which has been initiated by us. I like to believe that the masses of Filipinos the legatees of Bonifacio's ideals, will solidly stand behind this Administration in its determination to uproot the evils of centuries, the evils of feudalism, the curse of poverty, ignorance, disease, and unseasonable death.

This peaceful revolution shall be met with well-nigh insuperable obstacles. This fact should not deter us from waging it to its end. We cannot be less daring than Bonifacio who launched his revolution armed only with bolos although aware that he would be fought by the artillery and musketeers of the mightiest power in Europe. Insofar as I am concerned, I have long resolved that I shall not fail the spirit of Bonifacio, that even if the obstacles put on the path of reform by the defenders of the status quo were one thousand times more than what is in their power, I shall resist and fight all obstructionist forces until the peaceful revolution for the common man shall have ended in victory.

If the political ends of organized labor consist in advancing the cause of the common man, so that he may come to a fuller life, in an atmosphere of freedom, then I must say that our purpose coincides with yours. I must say that the ideals of your movement are the ideals that inspire us to go forward in our quest of a better life and dignity for the common man, and that these ideals should forge for us and among us a lasting bond of partnership and a deep sense of oneness.

Thus may we march together to that promised land seen by Rizal, a Philippine Republic which shines in virtue and in prosperity and where men are truly free.

Source: **Presidential Museum and Library**

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Address of President Macapagal before the Labor-Management Congress

**Address
of
His Excellency Diosdado Macapagal
President of the Philippines
Before the Labor-Management Congress**

[Delivered on May 2, 1963]

LABOR-MANAGEMENT HARMONY

I WELCOME this opportunity to address your current Congress. We meet at a propitious time. Together we can discuss the public role which my socio-economic program has assigned to the private forces which you represent.

Labor and Management constitute the manpower of an economy. In a totalitarian system, they are the mere tools of the State. But in a free society, such as ours, they are the prime movers of production, the directing and implementing forces of economic growth. The power that you represent is a private power because it remains, as it should, outside the purview of public control. Together you are engaged in the task of production, the most strategic phase of economic activity. Without your mutual cooperation, production shall be at a standstill.

But I address you today, not to remind you of your accepted private importance, but to stress upon you the magnitude of your public responsibility. This responsibility stems from one of the basic changes introduced into the Philippine economic situation by my Administration, when I instituted decontrol and returned to private enterprise, of which Labor and Management are an integral part, the initiative of industry.

You will agree with me when I say that industrial enterprises are the principal sources of production and employment. Whoever controls the industrial process controls the principal source of production and employment. During the period of controls, the industrial process was at the mercy of government. You recall as much as I do, for those days are not really too long ago, that the question of whether a new industry shall be established, or whether an already established industry shall expand or contract, was not in the power of private enterprise, of labor and management, to decide. That power was lodged in the whims and fancies, sometimes exercised with intelligence but more often than not, of a handful of men and women who were the appointed dispensers of an inherently discriminatory quota system.

You recall that during that period, no industry of significance could come to being unless blessed initially by a certificate of allocation. And I am sure you likewise recall, although some of you may choose to forget, the price in stifled conscience, in social and moral decency, and even physical dignity, that had to be paid for a license that became a marketable commodity.

During the period, influence peddling assumed the stature of a profession, and influence peddlers, strutting in new-found importance, dipped their hands into the coffers of corporate treasuries and thrust themselves into the sanctum of management, freely and proudly. For they were also important determinants of production. What they whispered to people they knew, and to people that counted, affected the livelihood of men and women who worked the plants and factories, and shaped the destiny of our entire industrial machinery.

Labor and Management, whose normal, natural function is to produce, and who should therefore exercise primary control over the process of production, were relegated to a secondary role. It could not be otherwise when with one

sweeping denial of a quota application, the public dispensers could close an existing plant or deny life to an economic enterprise.

That is why I abolished the quota system, instituted decontrol and restored the economy to free enterprise. I cleared the stultifying atmosphere that hovered in the uncleared desks and pretentious offices of the quota dispensers. Long before I assumed the Presidency I had made up my mind that the future of Philippine industrialization should not be allowed to continue resting upon such an unhealthy foundation. I had made up my mind even then that *responsibility* for increasing the productivity of the economy must rest primarily upon the shoulders of Labor and Management. For production is your natural function.

Those who would criticize my economic program by alleging that it is a vehicle for imposing government dominance over business would do well to remember the basic situation that existed before I assumed office. If we seek government dominance over business, we surely would not have renounced exchange control which was the source of tremendous economic and political power. By instituting decontrol, we showed that we do not seek government dominance over business, that contrary to the sophisticated calumny against us we have no dictatorial tendencies because we look at power not for its sake but in its relation to the public good, and that we were, and will always be ready to give up economic and political power that is in our hands whenever doing so is required by the welfare of the people.

Today, Labor and Management convene in a free atmosphere.

I hope, however, that you assemble here today conscious of a new dimension in your relationship. In restoring to you unconditional control over the productive capacity of the nation, my program assigned to the private forces that you represent, a public responsibility.

To increase production has become to our people a matter of national necessity. I say this in all urgency for our economic circumstance has maneuvered us into a desperate race against time. A population expanding at an explosive rate has to be fed and clothed and sheltered, furnished with the decencies of life and lifted from a poverty that degrades the body and the mind. To do this, our economy must produce more and at an increasing rate sufficient to outpace the massive march of frightening statistics.

My Administration has elected free enterprise as the mechanism with which to cut through the maze of tangled obstructions that stood in our way to increase productivity. I removed primary control over the industrial process away from the hands of bureaucrats and politicians and lodged it in your hands because I am firmly convinced that the economic progress of the nation should be the principal responsibility not of the government but of Labor and Management. The role of government in this urgent task is to *assist* private enterprise, not to supplant it. The role of government under my socio-economic program is to furnish private industry with the facilities which would spur them on to renewed and expanding activity. As my program states:

“The provision of growing sources of livelihood for the Filipino nation is today’s most urgent problem. To this the government’s prime efforts must be bent. *The ambitions of any party or person must be submerged in a total dedication to this overriding task.* The machinery of government must be transformed from one designed to ensure the continuance in power of any person or party or to serve the selfish interest of public officials into an effective machine for satisfying the nation’s aspirations for a rising standard of living.

“The task of economic development belongs principally to private enterprise and not to government. The government was not established to go into business. The government can never become a good businessman because of the interference of political factors and because those running the business have no genuine concern for the success of the venture.”

This then is the magnitude of your responsibility. Increased production, under my Administration, is a declared national objective. It is the “overriding task” to which “the ambitions of any party or person must be submerged in total dedication.”

But I charge private enterprise, of which Labor and Management are the moving spirits, with the primary responsibility of undertaking this overriding task under my Administration, for I yield to the realism of the view that "government can never become a good businessman because of the interference of political factors and because those running the business have no genuine concern for the success of the venture."

I never fail to shudder everytime I look back to the days of my predecessors-in-administration and recall that period of our history when critical decisions affecting industry, and therefore, production and employment, were made by a privileged few who administered the quota system. Most of them would never have qualified as junior executives in a going enterprise, and yet during their heyday they decided what industry shall live, what industry shall die, and what industry shall languish between life and death. It is known that many of those fateful decisions were made over a cup of coffee which brewed the deals of the ten percenters.

Labor and Management represent the most precious capital resource of a country. Your skill, your decisions, your boldness, energy and capacity are what can truly transform the full potential of our economy into a reality of abundance.

That is why I thought it only fitting that the forces you represent should be restored to the ultimate power of decision usurped for twelve long years by the quota masters.

But the power that you now hold represents a public responsibility which you are constrained by the urgency of our times to discharge efficiently and which you can discharge efficiently only by working harmoniously. Institutions and their causes are generally controversial. Labor in itself is controversial arrayed against management. Management is in itself controversial arrayed against labor. But labor and management genuinely together present no controversy and bring forth only the harmony that is as blissful as the harmony between man and wife for the family well-being. This reason, in the faith that labor-management harmony can only bring forth our economic well-being, my Administration supports in advance of the aspirations of your Congress and will give whole-hearted assistance on the resolutions that you will agree upon in this Congress.

The institution of private enterprise shall be judged by your mutual efforts and actuations. You cannot afford to fail our people in their great expectation. If I may use a parlance of industry, you must produce results. The country cannot afford the possible consequences of your failure to meet our national objective.

Should the system that we have elected, the system of private enterprise, default in its obligations to meet the pressing economic, elemental demands of an expanding population, we face penalizing alternatives that can sweep away the foundations and structure of our society. In that structure, Labor and Management have a direct, immediate stake. For it is that structure that has given Labor its Great Charter, institutionalized the process of collective bargaining, and vested Labor with collective strength while preserving for the individual the precious right of choice to move from one employment to another. It is the structure that has given to Management all the incidents and benefit of the profit motive. It is the structure that makes possible the rise of an employee to the executive suite of his company. It is the structure that made possible the ascent of a peasant's son from the very bottom of our society to the presidency of the land.

Fail in your undertaking, in the public responsibility with which my Administration has charged you, and you fail the system that makes men free.

It is in this light, in the light of a paramount national, compelling mission, that you must tackle in the few days ahead of you the numerous problems which this Labor-Management Congress has placed in its agenda for discussion and resolution.

More and more your respective rights to disagree with each other's terms will have to accommodate the great urgency of the nation's overriding economic target. Only by working together in a spirit of total dedication can you maximize the fruits of your joint exertion. It is imperative that in this Congress you arrive at effective solutions to your problems because friction between Labor and Management necessarily arrests their respective, as well as collective, efficiencies.

Hence you must not only define precisely and accurately the areas of friction, but you must devise ways and means to anticipate such friction in order to meet them with an effectiveness that is borne by foresight. You must contrive procedures designed to substantially shorten the process of arriving at common agreements, and minimize the possibilities of strikes that hamper production.

You must reexamine the character of your leadership and test the same against the criteria of social consciousness and the demands of your public responsibilities. You must learn to think beyond the traditional frame of reference that hitherto has dictated your actions in the bargaining table.

Labor and Management must learn to think greatly, for theirs is a magnificent function, a function that provides the food, the clothing, the shelter and the material decencies of an entire population. How you discharge that function will shape the answer to the crucial question of our times: whether it is poverty that will rule this land of potential abundance or whether it will be the satisfaction and contentment of a proliferated wealth.

My Administration is pledged to a program of extensive assistance to private industry. That means that Labor and Management shall be given every inducement to broaden the area of their mutual understanding. While government, under my Administration, shall leave to private business the principal task of increasing the nation's productivity, government will do all in its power to provide the facilities that would induce private enterprise to extend the limited boundaries of our industrialization and, therefore, increase employment and production. Private enterprise cannot, by itself, undertake the construction of roads and public highways. It is the duty of the government to do so. But in the construction of these roads and highways, in the implementation of an extensive public works program, I do not refer to constructions of haphazard manner, undertaken for purely political considerations, which a past administration was habitually inclined to do as a matter of policy.

When I say that my Administration will build roads and highways, I mean roads and highways planned under a carefully thought scheme of economic priorities, designed to stimulate trade and industry, and programmed for an economic function. They shall be constructed where their economic benefits shall be most felt, and not where political expediency demands it. They shall not be constructed simply to please the ego of an aspiring politician and to raise him before the eyes of his constituents.

I cite public works as an example of the task of assistance to which my Administration is committed. For under my program what is conceived is not assistance in the sense of government intervention in business. What is conceived is assistance in the sense of removing fundamental bottlenecks which impede, discourage and render difficult the expansion of private industry. Lack of adequate roads is but one example of the numerous impediments in our economy.

Lack of skilled manpower is another fundamental obstruction to efficient and increased production. Hence, my Administration shall invest in the reform and improvement of our educational skills to meet the specialized challenge of industrialization.

The agricultural system shall be transformed to create a class of free and independent farmers, proud in their ownership of land and stimulated to increase the productivity of the same because it has come to be their own. A free and independent farmer is likely to create a more effective demand for the products of industry than one whose life is bereft of any meaning and dignity because it is chained to a poverty which he cannot possibly overcome under conditions imposed by an oppressive system of tenancy.

Tenancy must go. It has gone in nations that only recently knew despotism like Japan, Taiwan and Persia. It has no reason to be in a land like ours that prides in the worship of freedom. It chokes the breath of progress. It stultifies the productivity of the farm; it keeps capital idle in land that should go into industry; it deadens the tiller of the soil with the stupor of human degradation and hopelessness from aspiring to a more fruitful activity. I have felt the lash of this social injustice and sense of futility because I am a tenant's son. Knowing generally the economic, social and moral evil in tenancy, I am resolved that before I step down the presidency, this evil must be destroyed so that with this new sense of freedom and dignity, the tiller of the soil shall enrich his life and enrich the life of the nation.

If my socio-economic program entails the raising of considerable revenue, this should not cause you alarm. It should rather prompt you to reexamine the program of the past and to ask yourselves where and how were previous appropriations applied as to have resulted in the massive backlog of social overheads which my Administration now has to meet.

The fact is that, in the past, public funds that should have been utilized to better the community were dissipated to support the massive graft and corruption of those who would now pose as official critics of my Administration.

The graft and corruption of the past misdirected and misallocated valuable resources that could have been applied to the very projects which I am now constrained to undertake. Had there been a semblance of intelligent and integrated planning of public works during previous administrations, you and I would be considerably relieved of the necessity, the urgent, compelling necessity, of starting, as it were, anew.

Government, just as much as business management, is a continuing affair. The corporate problems created by the inefficiencies and mismanagement of a previous board of directors will carry over and compound the problems of a new and succeeding board.

I am constrained to remind you of the past, because it is the voice of the past that is vociferous in denouncing the budget that I have presented to Congress. It is the past who, having raided the national treasury with promiscuous ruthlessness, would now hamper my Administration from properly undertaking what should have been undertaken long before I was elected to office.

There is nothing inherently wrong with public expenditure. It is only when public expenditure is misdirected to corrupt, private and uneconomic use that it becomes vicious and a public crime. But public expenditure channeled to provide the social services and basic utilities which the private community cannot afford to furnish, such as public hospitals, housing projects, ports, harbors, air terminals, roads, schoolbuildings, highways, irrigation projects and the like, constitute a public investment in the general welfare. The results of these public investments may not be as tangible as a corporate dividend or a pay envelope, but they are of immeasurable value nonetheless and provide depth to the market of private enterprise because they inject purchasing power into the general community. Just consider for a moment the implications of a sudden halt to public spending for social services and basic facilities. The result would be certain chaos where private enterprise cannot possibly thrive.

The test of a public expenditure program is not its magnitude but its application. Properly implemented, such a program, particularly in an underdeveloped economy like the Philippines, should stimulate, rather than depress, the energies of private business.

Only the short-sighted, poor in spirit, the timid, the unconstructive cynic, will deny to government the role that my Administration has assigned to it in my socio-economic program. It is the only role that I can conceive.

I close with the earnest hope that this Congress of Labor and Management, representing the creative genius and the driving force of a private enterprise economy, will instill a new dedication in the bloodstream of our industrial machinery. It is a dedication that should come with the appreciation of the public responsibility which the entire nation, under my Administration, have vested in Labor and Management. It is a responsibility worthy of your collective energies and the genius of the power you represent, the power of production.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal on the 28th Anniversary of the Philippine Air Force

Address of His Excellency Diosdado Macapagal President of the Philippines On the 28th Anniversary of the Philippine Air Force

[Delivered on May 2, 1963]

Philippine Air Force Day

THIS IS THE SECOND time during our tenure that we have had the pleasure of joining the officers and men of the Philippine Air Force, their families and friends, in the observance of PAF Day. For us, this happy experience is even more gratifying than before. In fact, it passes full explanation but it is a fact that amidst our heavy responsibilities in our lonely post as President, we feel most reassured and at home when we are with the air force and other armed forces. One explanation for this strange but refreshing feeling is our conviction that in the travails of our Nation searching for its destiny, in the midst of so many hypocrites paying lip service to the people, the officers and men of the armed forces under our command are authentic and sterling in their love of country because they offer not words but sacrifice and even their lives on the altar of their country.

Looking back at the year and a third that have passed, we are gratified at the improvement in our armed forces and at the part we played to help bring this about. We feel that our armed forces have improved in morale, effectiveness and prestige. We are gratified that the organization has also materially advanced in the provision for its needs. One thing we never get tired saying because it is a fact was that among the thousand and one things that we have done as chief executive, one that gave us singular happiness was to increase the pay of the officers and enlisted men of our armed forces. We are also looking forward with eager expectancy and anticipation to the materialization of our project, for which we have already provided the millions needed, to provide better housing and living quarters for the enlisted men and their families. We feel that what we have done for our armed forces has not been enough for what they deserve. In the current session of Congress, we are exerting effort and are confident that we shall be able to provide for longevity pay to the enlisted men and for more increased pay for the officers. If we are to be candid about our conviction, we feel that everything that we can do for our armed forces will never be enough for what they deserve because when the hour strikes for the decisive test of love of country and loyalty to our noble cause, it is the officers and men of the air force and other forces who will surely not be found wanting and who, in the words of the Chief of Staff, General Alfredo Santos, in the moment of crisis will not bother to question why but will ever be ready to do and if necessary, die.

We can look back together at a year of hard work, 12 months crammed with a tight schedule of missions and tasks that had challenged our air force. What justifiably gladdens the PAF is not merely that it had labored hard, but more so because its labors had brought results that had enhanced the strength and effectiveness of the force, the security and welfare of our people, and the honor and prestige of our country.

Let our accustomed candor go further so that this we will say: that while our faith, trust and affection are full for all the services of our armed forces, considering that our country is a maritime archipelago of seven thousand islands, we pin particular hope for the over-all needs of the Nation in the capability of that service which has the fastest mobility and compasses the maximum territorial reach in the minimum time, mainly, the Philippine Air Force whose 28th anniversary we glorify today.

Active and passive defense systems are therefore indispensable if we are to achieve a force structure designed for the defense of the Philippines. This is one reason why I have come to regard the Philippine Air Force as a vital segment in our force structure. We do not believe in rigid concepts but we do believe in giving the threat factor primary consideration in the composition of our force structure. We are therefore prepared to spend for the Philippine Air Force so much of our resources as will not impair our capability to survive economically.

I realize that the stages of development of our Air Force have had its share of “growing pains.” But in spite of these growing pains and because of the dedication, fortitude, and sacrifices of its officers and airmen, we have today an air arm which had established and can take its rightful place among the best air forces of the world. I realize too the stature attained by the Philippine Air Force in the eyes of our people and the people of other nations—of our staunchest ally, the United States of America, for which I express the gratitude of our people on this auspicious occasion.

The future of our Air Force looks bright with the assurance that their equipment, particularly the fighter-interceptor aircraft, will be augmented with fighter aircraft comparable with the most modern equipment of other Air Forces. I feel almost secure and confident with the knowledge that in the near future the Philippine Air Force shall be able to accomplish its primary mission of air defense with adequate supersonic fighter interceptor aircraft. I would like to point out, however, that interceptor aircraft by itself, no matter how efficient, cannot provide the air defense we may need for our national survival. I refer to the other elements of a weapons system which should provide the warning, control, and direction of these supersonic fighter interceptors—the other important member of the air defense team—which should function as efficiently and effectively as the supersonic interceptor.

We cannot help on this memorable 28th anniversary of the Philippine Air Force to think of those early heroes of the Air Force who in the Second World War fought valiantly against terribly unequal odds unsurpassed in the annals of warfare, among them Barsac, Gozar, Villamor and Julian. We cannot help thinking of Paredes who fought and gave his life in the skies of London as proof that the modest Philippine Air Force exists not for this country alone but for all nations who cherish democracy and freedom. We cannot help thinking of those officers and men of the air force who in the faithful performance of duty, whether in training and in peaceful missions, have plunged to a noble death in our soil and waters.

We cannot but think, too, of our brothers who have gone to the Congo on the noble mission of helping the United Nations keep the peace in the area. We also remember that when disaster struck in Bali, Indonesia, our airmen responded with dispatch by airlifting medical supplies and paramedics to the disaster area, an accomplishment that speaks highly of the readiness and mobility of the Philippine Air Force to perform its mission in times of emergency. More important perhaps is the fact that the airmen willingly chose to be thousands of miles away from home fortified only by the universal brotherhood of free men of which they are and feel a part. As their commander-in-chief I take great pride in their competence and dedication to duty and I find justifiable relief in knowing that there are more of their kind who are ready to take off and leave their contrails in the sky, their reminders and their warning that Philippine skies are sacred to the Filipino and that no enemy can afford to violate this sanctity without paying dearly for the attempt.

It gave us particular satisfaction that through our air and medical forces, we could show our friendship for our Indonesian brethren in disaster-stricken Bali because the Indonesians are not only our racial brothers but our next-door neighbor in the South. Indonesia and the Philippines are to each other like Canada and the United States or Mexico and the United States. Whether we like it or not—and we rather like it than not—Indonesia and the Philippines shall be contiguous neighbors together with our other next-door neighbor and racial brother, Malaya, until the end of time. Indonesia, Malaya and the Philippines must learn how to live in peace and harmony among themselves because not only do they belong to the same Malay race but also because they are stuck to one another by the will of Providence throughout the ages. Malaya and the Philippines happily are in complete ideological harmony while it is possible that Indonesia for the present is not in complete ideological communion with us. This is perhaps understandable because these three Malay peoples fell under the tutelage of three different colonial powers, Indonesia under the Dutch, Malaya under the British and the Philippines under the Spaniards and the Americans. On our part, we move in the conviction that neither ideology nor any other obstacle will long hinder an affinity of effort and purpose on the part of these peoples whom the Almighty in His infinite wisdom made only one race and next-door neighbors. Let the big powers who provide leadership and guidance in the crusade for freedom ponder upon this thought, that as mankind steps into the threshold of equality in sovereignty and dignity of all peoples, when the intermediate machinery of imperialism and colonialism dissembles itself as an instrument for the progress of man in order to return to all subject peoples their natural right to sovereign statehood and personality, answering as part of their self-assumed responsibility for the adjustment of the aftermath and complications of colonialism, instead of promoting dissension, animosity and lingering coldness among these three neighboring Malay peoples, it would be a better service to a better world if these three nations could be assisted to adjust their aftermath problems and

differences in peace, good will and harmony among themselves because if these former colonies tutored under three different mother countries could thus be brought together as friendly and cooperative nations despite their different colonial tutelage, such a feat will be a historic tribute to the virtue and constructive quality of imperialism, otherwise colonialism shall continue in the chronicle of man's history to be an indictment of the selfishness of brute might and the exploitation of weaker fellow men.

On this year's PAF Day, it is heart-warming to note the fact that the Philippine Air Force is engaged in a splendid display of comradeship with neighboring air forces. We refer to the Flying Brothers 1963 or the Fourth Asian Fighter Weapons Conference which is successfully coming to a close. We feel honored and pleased to see the representatives of our Flying Brothers here today and congratulate each and everyone of them for the brilliant exhibition of skill that they made during the international air shows. Seeing them fly here today and gazing in admiration at the craft of brother nations, we long for the day when all nations in the world bound in brotherhood would join such a wonderful fraternity of free men not for war but for peace and human progress.

This demonstration is a credit to the international fraternity of airmen who are prepared and are willing to bridge, not only the voids of space, but also the voids of normal day-to-day communication among peoples everywhere the better to foster mutual understanding, mutual cooperation and mutual respect.

From a common milieu, freedom-loving airmen have derived a common approach, albeit a common regard, for the potential of military aviation, not as an instrument of violence, but as a vehicle for common safety, protection and peace. Peace is a commodity we all want in bountiful proportions—may we all have it through the togetherness you have demonstrated and may we all continue to discover other venues to promote as close a brotherhood among all peoples of all creeds and of all races everywhere.

I would like at this juncture, to make public recognition of the valuable contributions which the Philippine Air Force is making in furtherance of the socio-economic program of the Administration. In the first place, the mere fact that our airmen with their air vehicles and their ground environment are on the alert twenty-four hours of the day, in fair weather or foul, to secure our skies, is itself a contributory factor in instilling a wholesome sense of security and confidence among farmers, businessmen, industrial concerns, manufacturers, and other entrepreneurs to proceed with their production and expansion plans. In the second place, certain non-military capabilities which inhere in the very nature of the equipment and the technical know-how available in the Philippine Air Force, can be and are being harnessed for socio-economic purposes. Aerial photography is a great boon in the survey, assessment, exploitation and preservation of our natural resources. The earth-bound surveyor, the forest ranger, the soils expert, the mineralogist, the engineer and other technical specialists can now avail themselves of the aerial photograph and, with the advanced techniques of photo interpretation and of photogrammetry, they can now complete needed surveys in weeks or months which before took them years and years. And then, of course, wherever disaster strikes, the Philippine Air Force is there to bring urgently needed supplies and medicines, evacuate the sick and wounded or otherwise give aid and comfort to our unfortunate countrymen. These are contributions whose pecuniary value is considerable just as their impact on the over-all socio-economic program is tremendous. I cannot, therefore, fail to make public recognition of this report, determined as we are in this administration to accelerate the economic and social well-being of our country and people.

We must trust that the Philippine Air Force will continue to enhance its level of skill. With skillful management to what we have now we could improve in a large measure the effectiveness of air force. The challenge of improvement is before us. We are not afraid to accept it. We had taken on last year's challenge with inspiring results. Thus, encouraged and inspired, let us soar confidently into the future to the end that next year, God willing, we shall meet again to celebrate an even more inspiring and satisfying PAF Day.

In closing I would like to quote the now famous tribute of Sir Winston Churchill to the RAF in the battle of Britain when he said:

“Never in the field of human conflict was so much owed by so many to so few.”

On this 28th anniversary, we say with justifiable pride that the Philippine Air Force, in its own modest way, deserves a similar tribute.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal before the First Filipino Retailers' Regional Convention

**Address
of
His Excellency Diosdado Macapagal
President of the Philippines
Before the First Filipino Retailers' Regional Convention**

[Released on May 5, 1963]

RETAILERS' OPPORTUNITY AND RESPONSIBILITY

YOUR ASSOCIATION and all those who are associated with you in the retail trade enterprises are faced with two things of far-reaching importance to yourselves and to our people: an opportunity and a responsibility.

On the principle that the enterprise consisting of the immediate distribution to our people of their needs is a prime concern of the Nation, there is universal acceptance of the need of helping Filipino retailers to undertake this enterprise in a satisfactory manner. There is disagreement on whether in other fields of economic endeavor, it is right that only Filipinos shall be allowed to engage therein but in the retail trade enterprises, there is no disagreement that only Filipinos shall be allowed and assisted. It is our purpose that in consonance with this national feeling, this exclusive right of Filipinos to undertake and to be assisted in the retail trade business should be given the fullest support and impetus by my Administration.

This exclusive right of Filipinos to handle the retail trade opens to you a vast opportunity.

We possess the potentialities of success in retail trade. Our businessmen are imbued with inherent business acumen and ability. They are industrious and progressive. Yet because of years of alien domination of our retail trade, Filipinos need government support to help them gain control of the distributive system of our economy.

The Filipino retailers need government assistance and protection on a continuing basis.

As we move under our Administration to strengthen the national economy and build a prosperous life for all our people, we have had in view the advancement of this opportunity for you.

Having always in mind the adverse effects on our economy of the preponderant control of aliens over our domestic as well as foreign trade and the imperative need of bringing the prices of prime commodities within the reach of the common masses, we have envisioned in our five-year socio-economic program measures that will strengthen the position of Filipinos in commerce and industry.

In the domestic commerce in particular, we have given encouragement for greater Filipino participation therein through more liberalized credit facilities and more extensive support and patronage by government agencies. We seek also to strengthen the position of Filipinos in the wholesale trade because if this is controlled by aliens, the Filipino retailers will still be at the mercy of such aliens. In addition, we have taken steps to provide a better marketing system for the smooth geographical movement of goods and services in general, which will embrace improvements in transportation, the country's road network and warehousing.

We have likewise included in our program of domestic trade improvement the more realistic and effective implementation of nationalization laws, the synchronization of functions of all those government agencies having to do with such implementation, and the realization of the wholesale cooperative provided under R. A. No. 2023, together with the establishment of more cooperative banks.

We will see to it that the Anti-Dummy Law, the Rice and Corn Board Law, the NAMARCO Law, the Retail Trade Nationalization Law, and the Filipino Retailers Fund Law shall be implemented strictly in accordance with the spirit

and letter of these laws so as to do away with the nefarious practices and methods of circumventing our trade nationalization laws.

We have been taking one step after another toward the realization of our economic objectives, as far as the financial resources and instrumentalities of our government would permit. In compliance with our pledge, we have done everything possible to arrest the rise of prices of prime commodities. Through our swift action in putting the Rice and Corn Administration in motion, which distributes on a nationwide scale our country's two staples—rice and corn—we have stabilized the prices of these cereals and kept them within the reach of the common people. If this distribution is done and is still being done by the agency itself and not by private retailers, it is not because of lack of confidence in the retailers but because of the desire of the government to have a close supervision of such function, whose success or failure strikes at the very root of our economic peace and stability. Studies are being made so that at the earliest possible time the distribution will be transferred to private retailers.

Time is of the essence in the discharge of this vital function. Despite the lifting of economic controls, we are glad that we have been able to keep within reasonable levels the prices of essential goods, like milk, canned sardines, corned beef and life-giving drugs through our prompt action in forming a Technical Committee on Prices, which authorized the NAMARCO to import a sufficient amount of such products to last through this year as a short-term measure intended to alleviate the plight of the low-income group of our consumers. The distributors and retailers of the NAMARCO are still doing the duty of dealing out these prime commodities mentioned throughout the country. I am glad to note the similar role being played by the member-retailers of the association sponsoring this convention and similar organizations for the benefit of our country and our people.

True to its role as a promoter of the Filipino retail trade and as a stabilizer of price of essential commodities, the NAMARCO has under our Administration opened new regional offices in various parts of the country. This expansion measure will be for the benefit of Filipino retailers in the places affected, who will now be nearer their source of supply, and, consequently, of the consuming sector being served by them. The NAMARCO has also expanded its activities with its 2,000 distributors all over the country, catering to the needs of about 30,000 Filipino retailers.

Other phases, of the program for the acceleration of the Filipino retail trade being earmarked for implementation include (1) a training and education program for retailers; (2) handling of large quantities of basic commodities locally manufactured for distribution to such retailers; and (3) assistance to wholesale merchants who will serve the requirements of small retailers. The education measure has to be effected, because it was found out that not few Filipinos had failed in the retail business for lack of knowledge and experience in this undertaking. Local manufactures, on the other hand, must reach consumers in the remote areas so as to develop the market for them. For obvious reasons, Filipino wholesalers and retailers will have to be brought together.

To improve our transportation system and solve to a certain extent our warehousing problems, which will redound to the retailers' benefit, expenditure for such public utilities has been included in the P44.5 million loan by the Development Bank of the Philippines for public utilities and services in general.

We have been witnessing the gradual though steady dropout of aliens from the retail trade by virtue of the operation of the Retail Trade Nationalization Law. In this connection, this Administration has further tightened the enforcement of this law by banning aliens from working in retail establishments, except technical personnel.

The government also continues to extend credit assistance to Filipino retailers through the implementation of the Retailers' Fund Law by the Department of Commerce and Industry, with the help of the Philippine National Cooperative Bank. It is most important that such retailers' loans be spent for which they are issued and that they be paid back on time. It is also significant to note that under the Retailers' Fund Law, Filipino retailers are further benefited by requiring importers of prime commodities to sell to them at least 30 per cent of their imports at the same mark-up as their sales through their present trade channels.

The Filipino retailers need more liberal and adequate financing to enable them to meet the strong competition of alien retailers, who are backed up by a strong financial assistance system. Republic Act No. 1292, otherwise known

as the Retailers' Fund Law, provides an appropriation of P20 million for use as a guarantee fund for loans granted to Filipino retailers. With the end of multiplying the guarantee capacity of this P20 million fund to about P60 to P80 million, I shall request the Monetary Board to study the feasibility of rediscounting the loans granted to Filipino retailers.

In addition to this assistance to Filipino retailers, I shall consider the feasibility of depositing some government funds not only in commercial banks, but also in the Philippine National Cooperative Bank and in rural banks all over the country so that retailers in the rural areas do not have to come to Manila to be able to get their loans.

We should also mention the assistance or protection being extended by the government in the interest of the Filipino retail trade through the functions and activities of the Bureau of Commerce, the ACCFA, and the rural banks.

We look forward to the day when the retailers will realize the advantage of banding themselves into cooperatives after the manner of those established in the Scandinavian countries, in which the so-called wholesale cooperative society can perform the three-fold function of manufacturer, wholesaler, and importer and take charge of processing, distribution, and marketing of practically every kind of commodity needed by the people. I know that it will take much time and effort and patience to have something like such cooperative federation in our country, but considering its benefits to the members and the country in which it operates you should always regard it as an ideal goal worthy of your sacrifices. You should organize and get united on a nationwide scale so that you shall enjoy the benefits of organized and coordinated action in the various aspects of your common interest, including the efficient procurement and marketing of goods and the training of your personnel.

As we look in retrospect and review the strides that have been gained in the struggle of our people for participation in the country's retail trade, we cannot help feeling optimistic about its future.

It is true we have not forged ahead very fast, but we know at least that our people are awakening to the challenges of our peculiar circumstances. This convention of yours is a clear manifestation of some sort of solidarity on your part, which is indeed a must if you will have to succeed. In no instance is unity a greater source of strength than in your case, because besides being a matter of necessity, your services are indispensable to the well-being of our people and the economic progress of our country.

But if you have this vast opportunity before you, you face also its corresponding responsibility. In life, it is not all receiving. It is both receiving and giving.

The progress of the retail trade movement in our country has been retarded by causes for which nobody else can be blamed but some of our own countrymen. It is of common knowledge that in the past some NAMARCO distributors betrayed the trust reposed in them as such by channeling then allotments to the blackmarket. Acts like these not only deprived retailers of the goods to which they were entitled but also tended toward the undue rise of prices at the expense of the consuming public.

It appears that some borrowers from the Filipino Retailers' Fund had not used their loans for the purpose set forth by the law. Some have not paid their loans regularly for unjustified reasons. But worst of all, it is unfortunate that some of our countrymen appear to have consented to act as dummies of aliens in violation of the Retail Trade Nationalization Law, which, as you all know, is designed to wrest control of the retail trade from the hands of aliens. This is an unfortunate commentary on the patriotism and morality of those countrymen of ours who are guilty of this offense. We should practise patriotism not only in time of war, but also in our struggle for economic emancipation, particularly during this crucial period of our economic development and adjustment to a free enterprise economy.

There have also been complaints against some consumer cooperatives who are allegedly taking illicit advantage of their tax-exemption privilege by selling their goods to non-members of such cooperatives. This is to say nothing of the practice of smuggling being pursued by some of our countrymen. All these acts of dishonesty must be stopped, for they are surely setting back the ascendancy of Filipinos in the economy of our country, prejudicing gravely the well-being and destiny of our people.

It is such acts of venality that have induced me to wage a campaign for moral regeneration in this country, which must cover public officials and employees and persons engaged in commerce and industry. We feel that our dream of a prosperous Philippines cannot be realized unless our people intensify the practice of the virtues of industry, simple living honesty, honor and love of country.

To help combat the problem of high prices of commodities from which the masses of our population have been suffering, I appeal to all producers, importers, wholesalers and retailers to reduce as much as possible their margin of profit so that the consuming public shall be liberated from the burden of high prices. Businessmen should be content with a minimum mark-up and should depend more on fast turnover for their profit in accordance with modern techniques of merchandising. It is of common knowledge that retailers who are able to reduce their prices to the minimum through efficient business methods are the ones who succeed in business.

I would like to emphasize my appeal to you on this matter. As we endeavor to help you, we ask you to help also our people. You are no doubt aware of the conditions of poverty and hardships in which most of our countrymen live. In our Administration, we are engaged in an endeavor to effect a massive breakthrough for our masses to get out of the rut of poverty and misery in which they live. After what has been done in the past year and four months, we are convinced that this breakthrough can be effected. But there is a time lag before our impoverished people, after the breakthrough, can reach the high and safe ground from where they shall enter the green plains, of a decent and comfortable life. We shall exert our utmost to make this time lag as short as possible; and in that time lag we need your assistance and cooperation to help our people by lightening their hardships.

You can assist us and help our people by avoiding as much as you can an increase in your prices and by reducing your profit as much as possible to the minimum commensurate to your capital and effort. I hope you will always remember that every centavo of decrease in the amount that a poor man pays for his needs means so much happiness to him and his family and every centavo of increase means another nail in the cross of his hardships, worries, and unhappiness. There is a wonderful feeling from a consciousness that you have made a poor man and his family happy. That wonderful feeling coming from a sense of consideration and compassion for the unfortunate is worth much more than any reduction in monetary profit. It is an investment in the grace and approval of God who will reward you for it with more profit from some other source and with His assistance when in life's cycle of joy and sorrow it may be your turn to encounter misfortune.

I congratulate you for holding this convention which gives a most suitable opportunity to all the delegates here to mull over the problems confronting our retail trade and find out their proper solutions. You should combine your forces toward the attainment of your common goals. You should always bear in mind that you are performing a most vital function to our people. Whatever you do as retailers will affect the economic destiny of our country. It is, therefore, your duty never to sacrifice national interests and public welfare for the sake of individual advancement, so that we shall soon behold our country in peace, progress, and prosperity.

I have brought out to you some of the problems of our retail trade and how the government is endeavoring to extend assistance to Filipino retailers. The rest is in your hands. Our success or failure in attaining our desired goal mostly depends on you. I ask you, therefore, to cooperate wholeheartedly with the Government in our common struggle and aspiration to shape and control our economic destiny for the prosperity and welfare of our people and for a better life for the common man.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**Address of President Macapagal before the Sixth Annual Convention of the Philippine Association of Private
Schools Address
of
His Excellency Diosdado Macapagal
President of the Philippines
Before the Sixth Annual Convention of the Philippine Association of Private Schools**

[Released on May 13, 1963]

THE ROLE OF PRIVATE SCHOOLS

I FEEL privileged to be among the private school educators of this country. The occasion is appropriate for acknowledging publicly my lifelong gratitude to those instructors in private schools responsible for my professional training and education. The occasion also affords me a setting to express my views on private education its contributions to the building of this Nation and its responsibility in the implementation of the five-year socio-economic program of my administration. At the very outset, I wish to state that I need the whole-hearted participation of private schools to ensure the success of the program.

I took time out of the strenuous schedule of my official duties and have accepted the invitation to speak at this Sixth Annual Convention of the Philippine Association of Private Schools for two reasons: first to acknowledge the great and gallant role which the private schools play in the education of our youth and second to experience the pleasure of appearing before men and women who render valuable service to our country. I have always had the highest regard for those who, like you, stimulate the young in the love and pursuit of knowledge, or who otherwise channel the youth's energies and enthusiasms toward the realization of ends designed for the common welfare. Well, indeed, has it been said that the most potent of all indirect influences in the development of a sound citizenry of a country is the influence of good, dedicated teachers.

It is no secret to you that our national government sets aside between one-third and one-fourth of its annual total appropriations for purposes of education alone—and that it has continually been increasing such outlays. For the next fiscal year, 1963-1964, the sum of P532,270,170 shall be needed comprising one-third of the government's income. The consistent, substantial increase in the sums allocated for public education is significant—more so if it is viewed in the context of the world's efforts to educate its children. This is to say, if we compare such increase with trends in the financing of education in other countries. *The International Yearbook of Education*, published by the International Bureau of Education, Geneva, and Unesco, Paris, noted down that, in regard to expenditure for education in 1960-1961, Australia's rate of increase was 9.6%; Burma's, 4.1%; China's 21.3%; Indonesia's, 15%; Iran's, 18.2%; Japan's, 10.7%; New Zealand's, 11.1%; or Malaya's, 19.8%; while that of the Philippines was 25%.. In other words, we have been increasing our allocations for public education at a faster ratio or tempo than the aforesaid countries. This is an achievement in itself—and should be to us and our people, whose passion for education is a byword, a source of distinct, indubitable pride.

But even with this generous attention which our government gives to public education, there is still much to desire in this respect. I shall be the first to say or admit that, often for reasons beyond our control, we have not done enough. Our population is expanding to such proportions that there will be an average of 960,000 children reaching school age every year. Subtracting the normal loss in graduation and dropouts, the total student population of the country will continue to increase at the rate of no less than 600,000 each year. That is why, in my integrated socio-economic program for the country, there is the requirement for the provision of facilities, during its 5-year period, for at least 350,000 children of school age. This will mean the opening in five years, of about 77,300 additional elementary classes. The appropriation for such classes will inevitably run into several hundred millions of pesos.

It is precisely in realization of this fact—that one of the most vital and critical areas of development in our socio-economic program lies in the field of adequate educational facilities—that I have sent to the Congress now in session a coordinated elementary school financing program. This is a carefully studied plan which, while it creates new sources of revenue on both the local and the national levels, would transfer financial responsibility for the

intermediate grades to the local governments. It is my belief, that, by such and other essential measures seeking to create special funds as well as to replenish such funds, our annual elementary school crisis will soon enough become a thing of the past. But, of course, such a stirring hope notwithstanding, we should be frank to state that these measures cannot possibly provide a panacea for all our other educational ills.

While it is gratifying that our country spends a large part of the government's income in education, it also means that the cost of providing for public education is becoming prohibitive. Herein lies the still untapped potential for private schools. Serious thought must be given to the idea that to lessen the load of the people in sustaining the mounting cost of public education, the government should strengthen the private schools by providing them with increased basic assistance so that the private schools will assume an even larger share of the responsibility of educating the youth of the land. Towards this end, at the proper time when the government's administrative machinery may be revamped, particularly after updating the Constitution, I support the idea of creating a separate Department of Private Education.

How do private schools stand in the context of our educational endeavors? The Constitution of the Philippines, in its Section 5, Article XIV, laid down the fundamental objectives of education in our country as follows: "To develop moral character, personal discipline, civic conscience, and vocational efficiency, and teach the duties of citizenship." Concurrent Resolution No. 8 of the Second Congress of the Philippines amplified these objectives in a document—consisting of ten more or less specific aims—towards which, as a sort of framework, the schools could direct their activities and functions. And the Revised Philippine Educational Program adopted by the Board of National Education, in conformity with the mandate of the Constitution, enjoined the implementation of what it listed as the five basic policies of education in the Philippines. Assured that all these objectives and policies are in the familiar knowledge of our private schools, colleges, and universities, there would be no need for elaboration.

Education is inextricably linked with economics, but it should perforce have a wider connotative reference or pertinence than that. Education may sometimes intrude into the sphere of politics, local or international, but except when the security and well-being of the state so dictate, the men charged with the responsibility for education should not allow motives other than pedagogical to determine the course of their actions. That is why, while I wish you every measure of success in the deliberations of your convention over its theme: "Nationalization of Private School Administration in the Philippines," I should nevertheless wish that you will view such subject from as a dispassionate and disinterested angle as possible, or consider calmly, if meticulously, every essential factor bearing upon it.

In the matter of enrollment as of 1960-1961, except in the case of elementary pupils, 85 or 90 per cent of whom are in the public schools, 64 per cent of the student population on the secondary level and 88 per cent of the student population on the collegiate level study in the private schools. Private schools have continued to increase in number and enrollment from 30 in 1913 with an enrollment of 2,500 to 2,219 private schools today with a combined enrollment exceeding one million. Of the over half million high school student 62% are enrolled in private high schools and of the over 300,000 college students 90% are enrolled in private schools. From these figures it can be seen that the role of private schools in the improvement of the social life of the people cannot be underestimated. There is a private school in practically every town in the Philippines and being mostly high school and college they wield tremendous influence in the country. In 1961-1962 there were 283,000 collegiate students in our private schools.

Private education in this country has a long and brilliant past. Tracing its roots from the selfless endeavors of the early missionaries, it had developed into a system the superior of which cannot be found elsewhere. From this standpoint, the Philippines may be regarded as the most fortunate country in Southeast Asia. Blessed with an indigenous culture that values education highly, we have provided a fertile soil for the seeds of democracy to grow and flourish.

The educational system in the Philippines during the Spanish rule gave to the Philippines its leaders, reformers, and propagandists of the Revolution of 1896; among them, Jose Rizal from the Ateneo de Manila, Emilio Jacinto from the Colegio de San Juan de Letran, Apolinario Mabini and Manuel L. Quezon from the University of Santo Tomas.

Acknowledgment should be made to the contributions of that great country, the United States of America, to private education. From the beginning of the American rule, the liberty-loving Americans accorded private education the necessary climate for growth and development. We should likewise mention the labors of patriotic Filipinos towards the close of the Spanish regime who, imbued with the highest patriotism and love of country and laboring under the most difficult of circumstances, established private schools which became the nurseries of nationalism. The work of these Filipinos was continued with more vigor and energy during the American occupation. These Filipino-established schools stood as bulwarks against the total foreignization of the Philippines by fostering nationalism and culture and by conserving Filipino traits and ideals. The private schools represented by the more than 300 delegates to this 6th Annual Convention of the Philippine Association of Private Secondary Schools are among its illustrious successors.

Since today is not yesterday, since change is the law of life, I trust likewise that the education which our institutions of learning give to our youth is adapted to the reality and realism of the changing times. In today's specific circumstances in our country, for instance, I should expect—that all our schools, through their curricular offerings or through their programs of action, will help the Administration advance the purpose of its integrated socio-economic development program. For it is a program that has been conceived to provide for the enjoyment by the masses of our people of the basic requisites for a decent honorable living and of the adequate opportunities for their attainment of material prosperity as well as spiritual fulfillment. Only thus as I said on more than one occasion before, will the Filipino people be able to stand in dignity and freedom, not alone in their beloved native land, but, equally important, in the stern community of nations.

Indeed, the private school system in this country is contributing enormously to the well-being and happiness of our people. It is helping the Government raise the social, economic, cultural and moral standards of the community with almost no cost to the State. Congress provides only one peso for every student enrolled in private schools. The magnitude of the contribution of private schools to the building of this nation can best be appreciated if we consider that they have invested approximately 1% billion pesos in site, plant facilities and equipment, earn an income of P80,000,000 a year, employ around 35 000 teachers and during the last ten years produced 1,300,000 graduates; 630,000 high school, 310,000 special vocational and 370,000 college which would have cost the Government P4,000,000,000.

The contribution of private education to the economic well-being of the nation is a matter of common knowledge. Statistics show that almost all special vocational students are enrolled in private schools offering hundreds of vocational courses ranging from beauty culture and hair science to flying and aircraft maintenance, in which more than 40,000 were enrolled in these courses in 1962, 41,926 or 15% in the different branches of engineering and technology, 3,000 in agriculture, 82,000 or 30% in commerce and business administration.

Private schools play a vital role in the moral regeneration program of my administration. There are three categories of private schools in our country today: the Catholic schools, the Protestant schools and the secular schools. In the first two, religious subjects are included in their curricula, church attendance and religious exercises and other obligations are required. The inclusion of religion in the curricula of religious schools has been prompted by the belief that moral formation or character building is not possible without religion.

Secular schools are likewise contributing to the moral regeneration program. In many of these schools religious organizations, fraternities and religious instruction are given support and encouragement by the administration. In others, nationalism and civic-mindedness have been the integrating principle in their curriculum. In schools that are purely secular, the students have also influenced the community for good.

The participation of the private schools sector of our country in the socio-economic program can be made more effective if the quality of education and training given in private schools is high. This demands adequate facilities and equipment, more highly qualified, contented and competent teachers, better teaching methods and techniques and higher selective admission standards in collegiate courses. Schools that depend solely on tuition fees for support may find it extremely difficult to meet these requirements. This situation is made more complicated if the school corporation operates as a business establishment with a view to making profits for distribution to its stockholders and if the school is compelled to operate small classes for lack of enrollment. Under the latter predicament it would be advisable in fairness to the students to voluntarily close the school or enter into a merger with other schools in the

locality to enable the school to give a higher quality of educational service to its clientele. While schools of this type have my sympathy my administration cannot tolerate our youth to pay for substandard education and I cannot allow their exploitation by enterprising but unscrupulous school operators.

There is a feeling here and abroad that quality instruction and stock corporations are a contradiction in terms. Stock corporations by the very nature of their organization, objectives and purposes are operated for profit and consequently quality instruction is of secondary importance. Some schools are charging all kinds of fees, without returning all the collection to students in the form of services. A big university in Manila contested the right of the Department of Education representatives to inspect the books of the corporation on the ground that the same is auditing *per se* and hence the regulation to this effect is of doubtful legality.

A searching study of the Corporation Law reveals that schools should be incorporated as non-stock corporation. The law provides in section 165 thereof the basic organizational pattern of the corporation and this pattern is unmistakably non-stock. The Department of Public Instruction more than thirty years ago was, I think, in error allowing schools to be incorporated as stock. It is to be hoped that stockholders will realize that to improve private education, schools should be operated as educational institutions and not as business enterprises. The University of Southern Philippines in Cebu City three years ago converted the institution into a foundation; I congratulate this University for this step. The Philippine Association of Colleges and Universities through voluntary agreement have pledged to limit their profits to 12%; I commend them for this step.

I trust that I have contributed to the picture that private schools occupy in the context of the Administration's ambition to build a progressive and better country. In order, however, to improve the efficiency of private education I have approved the policy of the Bureau of Private Schools of assisting private schools in their programs of upgrading instruction to meet existing needs of the community. I have approved the increase of the personnel of the Bureau in the proposed budget for the fiscal year 1964 in order that my administration will be able to assist private education in meeting its expanded tasks. In the conviction that our private schools are invaluable to the success of our national effort, I wish you every success in your convention and pledge to do my part to strengthen our private schools so that they may become a great and unbreakable pillar of our Republic for all time to come.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Radio-TV Address of President Macapagal in the program, “President Macapagal Speaks to the Masses”
Radio-TV Address
of
His Excellency Diosdado Macapagal
President of the Philippines
In the program, “President Macapagal Speaks to the Masses”

[Released on May 18, 1963]

Obstacles
Economic Progress

to

WE ARE MAKING only tonight our first radio-TV chat with the people for this year because it is only now that the picture of the national situation has cleared at the closing time of the regular session of Congress. Our State-of-the-Nation message to Congress last January contained the national situation at the beginning of the year and the measures needed to bring about the progress that the people seek. It was necessary for us to watch for the action or inaction of Congress on these measures before we could update our assessment of the nation's problems.

Now as Congress is about to end, we regret to make the estimate that Congress, particularly the Nacionalista opposition, have not done their duty to the people of passing the Administration's legislative proposals to implement the Nation's program of economic and social progress and reforms.

It is a pity that the Nacionalista senators did not see their way clear to turning over the full responsibilities to the Liberal Party for the conduct of the people's affairs, which would have enabled the Administration to enact the necessary measures. The enactment of the Administration bills was the remaining thing needed to open the kingdom of a better life for our masses. It was a case of, for want of full Nacionalista cooperation, “for want of a nail, a kingdom was lost”—or delayed.

It is all the more a pity because with all the odds and handicaps with which we commenced our herculean task of economic, social and moral reforms, knowledgeable experts agree that we have forged ahead. It is noteworthy, for instance, that in its report to the U. S. Congress, the State Department has included this year the Philippines with Taiwan and Thailand as the stable economies in Asia.

PRICES

In making an assessment of the economic situation, let us take a look at the significant problem of prices. At the time we took over, the prices were soaring without hope of remedial restraint in their rise. Had the past administration stayed in power, with its lack of economic orientation and its systematized corruption, prices now would have doubled or trebled their present level.

Because of the success of decontrol, however, as well as the successful launching of our five-year socio-economic program, the prices in the Philippines are now among the lowest in the world.

All those who have been abroad can attest to the higher prices in other countries than those in the Philippines. A tomato costing five centavos in our country costs eighty centavos in Japan. “Pancit mami,” which costs seventy centavos here costs five pesos there. One-fourth of a melon costs twelve pesos abroad while here the whole melon costs one peso. The “alimasag” which costs fifty centavos here costs five pesos abroad. A chicken which costs three pesos here costs eight pesos abroad. Beef which costs four pesos and fifty centavos a kilo here costs eight pesos abroad.

Coca-Cola which costs twelve centavos here costs forty centavos abroad. Gasoline which costs twenty-six centavos a liter here costs seventy-eight centavos abroad. *Carnation* milk which costs fifty-five centavos here costs one peso

and fifty centavos abroad. A loaf of bread which costs forty centavos here costs one peso and eighty centavos abroad. Ordinary rice which costs from eighty-five to ninety-five centavos per ganta at the RCA or one peso and ten centavos at the private dealers costs from five to eight pesos abroad.

While the prices of goods are rising in all countries of the world, without any exception, the rise of prices in our country has been moderate. An *Associated Press* survey of world prices at the end of last year showed that the highest prices are in France, Italy and the United States while the lowest prices are in Holland, the Philippines and Egypt.

RICE

With reference to the price of rice and the available supply, last year there was an abundant supply of RCA rice at prices from P0.85 to P0.95, even during the traditionally lean months of August to October.

We are accepting the estimate of the RCA and the Department of Agriculture and Natural Resources that there is also sufficient supply this year. The difficulties in distribution which have been encountered in the last few days, simultaneously with the shift in trading from alien to Filipino hands as directed by law, are now being coped with. Considering the sufficiency of the supply and the improving distribution, we are confident that as last year, there will be sufficient supply of rice this year at the RCA prices of from P0.85 to P0.95, even during the lean months of August, September and October. At the proper time we shall release additional information regarding rice which further insures sufficiency of the rice supply in any eventuality.

In general, considering the moderate rise of prices in our country and the increasing income of exporters, producers, farmers and workers, the economic situation may be that, after the successful surgical operation of decontrol on the ailing economy and the application of the correct medicine which is the five-year socio-economic program, the economic patient is not yet well but is now feeling better and on the way to recovery and robust health.

This is gratifying, especially if we look back to the beginning of our term more than a year ago. Although we successfully put decontrol into effect and launched a five-year integrated socio-economic development program, we have been handicapped by an opposition-dominated Congress. All presidents before us worked with a Congress controlled by their party. It soon became clear that it was only by also having the two Houses of Congress controlled by our party that we could move ahead. Before the end of last year's session, our party acquired control of the House through the increase of Liberal members to sixty-one out of one hundred four and the consequent election of Speaker Cornelio Villareal. The House thereafter quickly passed the Administration measures. Since our party failed to acquire control of the Senate, the latter body failed to approve the Administration measures.

In this year's session, our party succeeded in electing as Senate President, Senator Ferdinand Marcos but failed to obtain the other Senate posts, including the chairmanship of the vital Committee on Rules and other committees. There is still a deadlock between twelve Nacionalistas and twelve Liberals. Because of this situation, the Senate will fail to pass the Administration measures as last year. The dominant Nacionalista senators in the committees, will, of course, pay lip service to cooperation for measures for the good of the people but between lip service and performance there is a wide chasm. We must accept the fact that in democracy, as it operates in the Philippines the only way to pass Administration measures in a satisfactory scope and form is for the President and the two chambers of Congress to belong to the same party.

We are, therefore, resigned to non-passage of the Administration measures and the consequent delay in the implementation of our program of economic and social progress for the people for one year due to the obstruction of the Nacionalista senators. Only today, in a morning paper, an economic writer, Hector Villanueva, observed that "it is undeniable that the Philippine Congress must shoulder part of the shortcomings of the Administration since the political *immobilise* has undermined all the honorable efforts of the Government to accelerate economic development."

We fervently hope that as a result of the senatorial elections this coming November, in next year's session, the Administration party will obtain full control of the Senate, thereby enabling the Nation to move forward in its

program for a better life for our people. We also hope that both Houses of Congress will at this session pass at least the national budget, the land reform bill and the public works bill as a minimum performance of duty to the people.

From the events of the past year and a half, highlighted by the adamant non-cooperation of the Nacionalista senators, we can now say that at this second year of our Administration we have enough opportunity to perceive with clarity the obstacles to the solution of our grave problems and the chances for such successful solution.

MAIN PROBLEMS

We reiterate our conviction that the main need and problem of the country is increased production in industry, agriculture, mining and other economic activities in such magnitude and pace as to outstep the growth of population. Among the principal obstacles to the successful meeting of this prime problem are some unfavorable traits and attitudes of the people themselves, as well as their leaders.

We shall point to three of these impeding, unfavorable traits, namely: (1) That our sense of responsibility has not measured up to our enjoyment of liberty; (2) That there is a deficiency of unselfish attitude; and (3) That there is a lack of proper perspective relative to the importance and gravity of the national problems.

There is no question that we have found the correct solution to our economic difficulties consisting of our successful decontrol operation and the launching of a sound socio-economic development program which only awaits vigorous implementation through a united national effort. Not only local but foreign experts are unanimous in this assessment and conclusion. Only the other day, a highly authoritative business leader, A. Calhoun, demonstrated that decontrol proved to be a wise decision.

It was, therefore, with eagerness and expectation that we sent the necessary economic measures to Congress in its current regular session in order that we could mount the vigorous implementation of our program for rapid economic and social progress.

Yet, as the regular session on which we pinned so much hope is about to end, what is the situation?

First, we are confronted with the spectacle that the rabid Nacionalistas and newspaper columnists, instead of encouraging us in our earnest endeavor of giving at long last a break to the people, continuously needle us, insult us, obstruct us and discourage us in the name of freedom.

FIRST OBSTACLE

Because of this situation, we say that the first obstacle to the solution of our economic problem is the sad truth that our sense of responsibility as a people has not kept pace with our love for liberty.

We are with those who maintain that we are among the staunchest freedom-loving peoples in the world. This is a virtue for which we are grateful to Divine Providence. We have spurned the superficial accusation that we have dictatorial tendencies because we, too, believe strongly in freedom and we thank God that He has imbued our people with a passion for liberty.

But true liberty has its responsibility. Liberty is not license. In our country, we seem to be so much for liberty that in its practice we commit license. Yet we must make it clear that we ourselves are such ardent lovers of liberty that if we were forced to make a choice between license and regulation of liberty, we would prefer licentious freedom to regimentation because licentious freedom can in due time count on its inherent corrective quality of self-discipline while regimentation can lead to despotism and tyranny.

Still, we invite attention to the dangerous result of licentious freedom—chaos, which our ideological enemies are waiting for. While if forced to make a choice between licentious freedom and regimentation we would prefer the former, yet we would also prefer true freedom to license.

We feel it our duty, therefore, to underscore, the fact that licentious freedom is endangering the success of our earnest program of economic, social and moral progress for our people.

Indicative of this fact is the spectacle of our oppositionist politicians and columnists abusing the dignity of the Presidency of the Republic thru vulgar and irresponsible language. Irrespective of who is the president of our country, the President embodies the sovereignty and dignity of our people. For an oppositionist politician and columnist to refer with derision to the President, especially without concrete basis, and to hurl slanderous attacks and insults upon him, without concrete proof, is not only to commit unpardonably licentious freedom but to insult the sovereignty and dignity of our people whom the President, by their mandate, embodies.

Are the people of this country, who take pride in being educated and responsible people, going to tolerate for long this abuse of respect to the Presidency in the name of licentious freedom of speech?

On our part, as President, we do not mind being criticized but we do mind being insulted. We will give time to our people to summon their innate sense of righteousness and power to put a stop to the irresponsible and destructive abuse of liberty committed against their President. On our part, we feel that we cannot leave our position of President which our people entrusted to us without first discharging our inescapable duty of protecting and upholding the dignity of the Presidency against those who mistakenly believe that licentious freedom is higher than the dignity and honor of their President.

In the face of the evil tactics of the opposition to smear us unjustly even as they criminally cast aside the pressing economic and social problems of our country, we wish to make the reminder that we have been in public life since 1950 to the present time, being elected by our people from congressman to the presidency, in a period of twelve years; and that in the atmosphere of nauseating corruption prevalent in our country since the end of the war, our people would not have elected us to the presidency in such a period of time, if we had associated at all ourself with things corrupt, evil or anomalous.

Indeed, we have always endeavored to adhere to ethical norms of public life. Let us look at the mental facts. Among all presidents in our Republic, we are the poorest in material circumstances. In view of our financial straits we would be in need of enriching ourself more than the others. Have we done so? Absolutely not. Likewise, they being of poorer circumstances than we are, our immediate relatives, more than the relatives of other presidents, were in need of exploiting their relationship with us to enrich themselves. Have they done so? They have not. This is due to the creed of integrity that has become the tradition in our humble family.

We have been president now for one year and a half. Our modest material position has not improved since we entered public life thirteen years ago. Until now, we do not even have our own house. Countless officials, both elective and appointive, have built or acquired better homes, upon improving their official positions and compensations. Many senators, congressmen, governors and cabinet members, have done this. The former President himself, among his first acts, was to build a mansion on Bohol Avenue. On our part, this is one thing that we have not even thought of because all our working hours are spent on formulating plans for a better country, implementing them and seeking means of overcoming the thoughtless and vicious obstacles put on the way of the country's progress by the opposition and other thoughtless critics.

If the opposition ever hope by judging us the standard and acts of their leaders in the past administration, that we will also commit the mistake of directly or by knowing tolerance indulging in corruption, they might as well hope forever because we will rather stop breathing than commit this betrayal of the ethical creed that we have sustained throughout our life. We renew the vow that with God's continuing grace, while we shall labor so that all our countrymen will attain a better life, on our part, as long as we are president, we and our family will not enrich ourselves by one centavo beyond our compensation as an indispensable part of our duty as leader of the Nation who is interested in bringing about moral regeneration among our officials and among the people.

Let this be made clear. If the opposition prefer to indulge in sensationalism and pretend to show that we are corrupt or as corrupt as the former President and that our relatives are as corrupt or more corrupt as the relatives of the

former President, we are ready to give them full opportunity to thresh out the truth on this issue provided that they approve the economic and social legislation needed by our expectant people.

STONEHILL CASE

On the Stonehill case, if the opposition want to expose the case to the full, we are ready to oblige them. After the Liberal administration destroyed the Stonehill web of corruption, proceeded to collect his tax liabilities, deported him forever from the country, and relieved two cabinet members and fifteen officials, for deterrent purposes we feel that we have sufficiently served the interest of our people in this case. We feel that having already done this, to exhume the foul cadaver of the Stonehill affair would only distract the Nation's time from its prime task of economic progress and permit that man to unnecessarily cause more harm to the country than the havoc he already wrought.

However, if the opposition want to subordinate the national welfare to sensationalism by a full expose of the Stonehill affair, we are prepared to go along this step if only so that this case may cease to distract the Nation from its program of progress. Indeed, we are at the edge of our patience over the pretense of some opposition politicians that the Liberals have more to hide than the Nacionalistas in relation to Stonehill. The naked fact is that the Nacionalista administration and leaders created Stonehill and his web of corruption; while the Liberal administration and leaders destroyed him and his web of venalities. In order that we may get rid of this distraction from the economic effort, we are ready to expose the full details of the Stonehill affair in a manner that will spare no one, including the highest officials of the past administration, those who pose to be desirous of exposing this affair both in the Senate and the House, and all those who did favors for Stonehill and his associates.

The present Secretary of Justice and I are ready at a proper time to establish the following with documentary evidence: first, that the Nacionalistas, from their President and his kin down to numerous Nacionalista subordinates benefited from Stonehill and in return helped him create and operate his web of corruption; second that despite hypocritical insinuations to the contrary, the present leaders of the administration have not done any favors to Stonehill but on the contrary destroyed the Stonehill web of corruption; and third, that the former Secretary of Justice protected his Chinese client and a personal friend, a fellow Nacionalista, in such a manner as to make him unfit to deserve the confidence of the Filipino people.

In this connection, in the face of the vicious and futile attempts of irresponsible Nacionalista leaders to smear us, we say finally before God Almighty that our conscience is clear of any guilt of misusing our public office for material gain. We wonder if those Nacionalistas and others who try to smear us can truthfully say the same of themselves.

SIMPLE LIVING

With reference to the trip of our children, may we say this: The First Lady and I have adopted, as temporary residents of Malacañang, simple living to which we have become accustomed. We believe that it would be of help to the moral regeneration program of my administration if the same can be followed by other leaders and by our people, but we realize that we can only hope for this and are in no position to compel anyone to practise the same. It is regrettable that this creed of simple living in which we believe has been meanfully distorted for political purposes. The only thing we can do is to state our concept of simple living, leaving it to our other leaders and countrymen to practise it as we intended it to mean.

What do we mean by simple living? To us, simple living means frugal and dignified living within one's means. It means neither wasteful and extravagant nor shabby living.

It applies both to the poor and the rich. To the poor, it means frugal living in as dignified a manner as their poverty will allow. This is why, even to the poor, simple living does not embrace shabby living.

On the other hand, to the rich, it means dignified living commensurate with their station but frugal enough not to be wasteful and extravagant.

In the light of this concept of simple living which the First Lady and we always had in mind, we spurn the malicious and political smear that the educational trip which we allowed our children, with their grandmother as companion, is contrary to simple living. We regard it not only the right but the duty of parents to provide the best possible education to their children as their means will allow. We believe in travel as highly educational. This is exactly the nature of the trip of our children, with the assistance of their grandmother who is financially in a position to do so.

It is sought to be made to appear that our children's trip violates our creed of simple living because they were accommodated in the best suites of the ocean liner, which constituted the first lap of their trip. Our children applied only for ordinary first-class passage, which was what we could afford; but the liner management offered the courtesy, without extra cost, of accommodating them in their best suites in accordance with their universal practice to grant this courtesy to the immediate family of all heads of state. We accepted the courtesy because to decline courtesies accorded to the Chief of State of our country in accordance with international practice would mean being recreant to our duty to protect the dignity of our country and its Chief Executive.

In brief, it is our sincere judgment that the accommodation of our children and their traveling companion, my mother-in-law, in the best suites of the ocean liner where they traveled, was in accordance with the true concept of simple living because they paid only what we can frugally afford and they were accorded the courtesies that in dignity pertain to the children of a head of state.

The tendency to convert liberty into license is a roadblock to our progress because the alacrity for licentious freedom results in the loss of self-discipline which is necessary for constructive economic organization and endeavor, particularly in the system of free enterprise. In this connection, we agree with the observation made by one of our thoughtful economic thinkers, Bernardino Ronquillo, that free enterprise succeeds among peoples who have the quality of self-discipline.

"The former autocratic or totalitarian countries that have become democratic and encouraged free enterprise are now the most progressive. They have attained the fastest rate of growth after the war.

"West Germany has demonstrated what free enterprise under a democratic system can do to lift a war-ravaged country to the fastest growing economy with the highest national income in Europe.

"Italy too has shown considerable gains under the free enterprise system.

"Japan is at an even higher level of industrial development than at any time in its history with full employment and the highest standard of living in Asia.

"What is important to remember is that the most progressive countries in the world today have not attained their present state of development or economic gains through free enterprise.

"A certain degree of self-discipline has accompanied their march to progress. There is no such thing as absolute free enterprise, in the same way that there is no such thing as absolute freedom.

"Developing countries trying to get out of chaotic conditions brought about by the last war need self-discipline even more.

"What we need in the Philippines is not free enterprise alone. We also need self-discipline." (*Manila Daily Bulletin*, May 7, 1963.)

SECOND OBSTACLE

The second obstacle to the effective solution of the prime problem of economic growth is that many of those who are taking part in shaping a better future for our people think only of themselves and do not think of others—namely, our people. If our leaders from both parties could but genuinely think not only of themselves but also of others,

particularly of the people, there would be a miraculous change in the manner they play their roles in the national effort and an equally miraculous spurt in the Nation's progress.

Among businessmen who supported the past corrupt regime, there are still those who endeavor to obstruct the administration in carrying out the socio-economic program notwithstanding that its implementation is conducive to better business and to better living conditions for the people. Among opposition politicians, the only thing they are interested in is that the party in power must be debunked, regardless of the injurious effect on the economy and the people's well-being go hang. It is sad to admit but it is true that there are members of Congress who are unconcerned about the crusade of the Administration as long as they themselves manage to continue in office.

We ardently hope that our legislators will fully realize that times have changed, bringing in new challenges and responsibilities. Before, a lawmaker could manage doing his work by average or casual attendance to his tasks with occasional avowal of serving the people. Now, such nonchalant discharge of legislative duty will not suffice. Today, the people expect that their lawmakers will give full support with courage and determination to those measures of reform which will truly open opportunities of a better life to all the people.

THIRD OBSTACLE

The third obstacle to the solution of the paramount economic problem is the lack of proper perspective on the true needs of the people at this particular time. Among the many conflicts of views that arise in a democracy, there is an inability on the part of so many to pick out the grain from the chaff.

Thus, many do not realize that our main problem today and in this generation is to create the conditions for a rapid rate of economic growth that will not only elevate the level of living of our existing population but will thereafter be able to keep pace with the growth of population. Many do not understand that while other problems are also important and vital, the economic problem is the paramount one.

As a result of this lack of perspective, some have no concern for our economic program and prefer to indulge in character assassination, clever inuendo, endless argumentation, and other recriminatory acts that in their totality tend towards dissension and confusion which is detrimental to a concentrated implementation of the economic program.

We do not mind dissension; and, if the opposition wish, even confusion do not jeopardize the vigorous implementation of our program for economic and social progress.

Yet, what has been happening is the reverse. More importance has been given, particularly by the opposition, to the other and lesser problems in disregard of the main problem of economic and social progress. Thus, in the Senate, the opposition have shown more concern for sensationalizing the Stonehill web of corruption and in the House, the opposition have shown more concern for putting in ignominy, although without basis, the President's relatives, first, the President's children, then his brother and married daughter and then his mother-in-law.

In the meantime, vital legislation needed for the vigorous implementation of the Nation's five-year socio-economic development program has been neglected and cast aside. In our estimate, the present session of Congress faces the heaviest and most far-reaching legislative agenda in our history. The administration bills alone constitute twenty-six economic measures, the land reform bill, revenue measures, electoral reform, the calling of a Constitutional Convention, apart from the national budget, public works bill and other measures which the Congress may in its initiative propose as its own program for the solution of the nation's grave problems.

It is only a few days before the end of the session, yet the vital economic and social measures have practically been set aside.

While it looks now to be impossible to pass these measures, so intense is our longing for things to be done to give a break to our people who have long been languishing in hardships, that we are still hoping against hope for the miracle of a change of will and heart on the part of the Nacionalista senators that would enable the Congress to

approve in the last days of the session the pending economic and social legislation which constitute the solution to our people's problems.

The opposition and some thoughtless persons are guilty of sowing confusion whereas the need is for cooperation in a national effort to implement the Nation's economic program. In the midst of this tendency to confusion we must make our attitude clear. There are two ways of discharging the task of the presidency: (1) to act in order to win more supporters even if what is to be done is not good for the people; or (2) to do what is best for the people even if it means displeasing others and losing supporters.

We encountered this dilemma early on our assumption of the Presidency. There were influential individuals and sectors who had supported our predecessor because they received undue favors from him. It would not have been difficult for us to win over these individuals and sectors to support us and our administration by doing them the same favors which they received under the past administration.

Our decision however, was to adopt the second mode of discharging the presidency, that is, to do what is best for the people, even if it means displeasing others and losing supporters. The result is that while in the judgment of objective observers here and abroad, the country is moving in the right course under our administration, some individuals and sectors who fought against us in the past in support of a corrupt regime have continued to oppose, calumniate, and fight us and our administration.

We are not, however, daunted. Since we represent the sovereign will and aspiration of all our people for a better life, we cannot be daunted because the spirit of the people must not ever be dismayed by odds and roadblocks to their effort for a better living.

In this connection, our attention has been drawn to the thoughts of one of our countrymen, Jose Rosas of 1006-J Int. Pandacan, Manila, who in an article published in a morning daily on May 8, 1963, said:

"In the Philippines, even the highest official of the land, the President, can become horse manure in the hands of critics by their personal attacks and sarcastic commentaries.

"From the time Manuel L. Quezon assumed the presidency of the Commonwealth of the Philippines, and then from Sergio Osmeña down to President Manuel Roxas, Quirino, Magsaysay, Garcia and Macapagal, all these Filipino Presidents, not one of them ever escaped the tirades and philippics of critics in the halls of Congress, in plazas and over the radio.

"There is no perfect Filipino President. Even Magsaysay had enemies and bitter critics. During elections we vote for the best man and placed him in the highest position with all the ardor of devout parishioners. But once that same man had already assumed the presidency, like Jesus Christ after Palm Sunday, we hurl stones and spit at the man whom we cheered during the inauguration at the Luneta grandstand.

"It's really a martyrdom to become President of the Philippines."

We shall carry on the martyrdom of being President. We shall continue bearing the heavy cross of leading our impoverished people to better times. We may be jeered, maligned and stoned on the way; we may even fall as we carry the cross; but we will rise and keep on, nourished with strength by the faith that at the end of the agonizing journey, a better life awaits our people.

Source: **Presidential Museum and Library**

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Message of President Macapagal on the holding of a Constitutional Convention, the Strengthening of the Judicial System, and the Creation of a Moral Commission

**Message
of
His Excellency Diosdado Macapagal
President of the Philippines
On the Holding of a Constitutional Convention, the Strengthening of the
Judicial System, and the Creation of a Moral Commission**

[Released on May 22, 1963]

IN CONSONANCE with our commitment to present a legislative program for 1963 that would work the change in our laws needed to reform the economy, enhance our people's economic well-being, improve the structure and administration of government, promote justice and lift this country's political and moral values into a higher place, we are presenting the following set of proposals:

First, a proposal for the holding of a Constitutional Convention that will marshal the popular will to the task of considering long-felt and necessary changes in the basic law to make it conform to the needs of a changing nation.

Second, measures designed to strengthen our judicial system and enable it to better cope with the increasing demands placed upon it by our growing society; and

Third, a proposal reiterating our recommendation to Congress for the creation of a Moral Commission that will crystalize in our people's minds our driving desire for more reform.

I.—CALL FOR A CONSTITUTIONAL CONVENTION

The Philippine Constitution, as the expression of our people's sovereign will, is a noble instrument. Into its few pages are distilled the centuries of progress that man has made in his continuing struggle to protect his rights, to define his relations with the State, to preserve his dignity as an individual, and to establish that form of government under which his qualities as a human being could be granted the fullest expression. But while the Constitution is a triumph in man's continuous reaching for a higher life, it is still a human document, prey to the imperfections that must attend all mortal things. The great minds and the great intentions that were brought to bear at its creation could not have conceived of every possible alternative or element in human existence. The declarations and principles embodied in it may be internal but the structure of government, the administrative institutions by which these principles were meant to be brought to life are as much subject to change, improvement and growth as any other human handiwork. And even while the principles expressed by it were meant to endure, new principles may sometimes be born to take their place as a happy additions to the sum of guarantees ensuring the individual's right to life, liberty and happiness.

Since our independence, our experience as a free nation has exposed and dramatized inadequacies and gaps in our constitution which hamper the processes designed to ensure the stability and effectiveness of government more respected leaders of our society have proposed multiple and meritorious amendments. In drafting the legislative proposals designed to support our program of development, we have come to the belief that some of them have to be made not only to improve the governmental structure but also to complement and complete our plans for national growth.

Accordingly, we reiterate our proposal contained in the State-of-the-Nation Message for the calling of a Constitutional Convention that shall act as a vehicle of expression for the people's sovereign will in the introduction of the needed reforms in our basic law which, in turn, will provide the fundamental basis and inspiration for reforms in various phases of the national life.

II.—STRENGTHENING OF THE JUDICIAL SYSTEM

We have been of the conviction that the updating of the Constitution is essential for the formulation of sorely, needed reforms in the judicial, administrative and political fields. Should the updating of the Constitution not be brought about, it may well be of profit to the national interest to consider in the meantime some valuable measures of judicial reform.

One of the basic functions of any organized government is the administration of justice—and no responsibility of government is more fundamental than that of maintaining at all times an efficient and upright judiciary—the final arbiter of justice in this country.

Conscious of this basic postulate this Administration cannot but view with alarm the development during the past few years in our judicial system. The wheels of justice grind slowly—so the saying goes—but our judicial machinery has been grinding exceedingly slow to the discomfiture of those who have turned to the courts for redress.

Department of Justice records reveal that 82,944 cases have accumulated in the Courts of First Instance throughout the Philippines as of January 31, 1963. Yet, present conditions afford no hope of liquidating this huge backlog considering that during the year 1962, there were 45,638 cases filed as against 44,921 cases disposed of.

This situation is true not in the Courts of First Instance alone. Even the Supreme Court—has found itself saddled with hundreds of appealed cases that have remained undecided for years. Many a litigant has lamented that civil as well as criminal cases actually take many years before they are completely disposed of, from the time they are filed in the lower courts until terminated by the appellate courts. To the rich litigant, the long wait occasioned by a drawn-out proceeding could be bearable—or even welcome to subdue a penurious opponent—but to the penniless laborer who lives on borrowed money and receives his weekly pay envelope only to hand it over to his creditor, a few weeks or even days' delay in the trial and disposition of his case is an ordeal that may very well mean the difference between life and death.

The problems now confronting the judiciary are beyond administrative solution—immediate remedial legislation is necessary. The Supreme Court should be relieved of some of the cases elevated to it by enlarging the jurisdiction of the Court of Appeals. Complementary to this, additional personnel should be provided the Office of the Solicitor General, an important co-adjutor of the appellate courts in the disposition of appealed cases. Much of the delay in the appellate courts is occasioned by the failure of the state lawyers to file their briefs on time.

Additional branches of the Courts of First Instance likewise have to be created in provinces where court dockets are heaviest as well as in places where there are no court salas at present.

It is not enough, moreover, that more judges are appointed, or changes made in the jurisdictional structure of the judiciary. There is no denying that the human element plays a major part in promoting efficiency in any organization. A happy worker is a good producer. Judges need assistance in the discharge of their duties—facilities to help them perform their functions speedily and efficiently—additional rewards and benefits for their labors—and, in general, the necessary atmosphere and incentives to hold their high office with dignity and honor.

To meet this need for statutory reforms, I am transmitting herewith copies of eight bills designed to improve the administration of justice. Briefly these eight bills submitted for your consideration propose to:

1. Enlarge the jurisdiction of the Court of Appeals and increase its membership by two divisions of three Associate Justices each. Civil cases appealable to the Court of Appeals shall extend to those where the amount involved does not exceed P500,000.00, and the Court shall have jurisdiction to review orders and decisions of the Public Service Commission, the Securities and Exchange Commission, the Workmen's Compensation Commission, the Court of Tax Appeals, the Court of Agrarian Relations, the Auditor General and the Director of Patents. This bill, if enacted into law, will greatly reduce the case load of the Supreme Court and, at the same time, endow the highest court of the land with the status and prestige equivalent to that of the United States Federal Supreme Court and the Courts of

Cassation in the countries of continental Europe as it can concentrate on its primordial task of deciding only important questions of law.

2. Create fifteen (15) new salas of the Courts of First Instance and transfer existing salas to places within the province so as to make them more accessible to the public.

3. Amend Section 75 of the Judiciary Act to place the positions of clerks and other employees of the Justice of the Peace Courts under the national budget and Justice of the Peace Courts. Under the present law, these positions are created by municipal councils and paid from municipal funds. This setup is, repugnant to the independence of justices of the peace as it affords opportunity for municipal officials to exert pressure on the judges. In a majority of cases, justices of the peace who resist the importunings of these officials are denied clerical help thru the more expedient of not creating the necessary position in the municipal budget and, at times, to the extent of abolishing existing positions.

4. Amend Section 190 of the Revised Administrative Code for the purpose of allowing the inclusion of an appropriation in the general appropriations act for the purchase of books, legal treatise, periodicals, etc. for distribution among the different courts to constitute a nucleus of their law library. This is not possible now because Section 190 of the Revised Administrative Code has placed the responsibility of supplying the Courts of First Instance with books on the respective provinces. However, a great majority of these provinces are financially unable to assume this burden.

5. Amend the Judiciary Retirement Law by granting Judges of the Courts of First Instance, Industrial Relations, Agrarian Relations and Juvenile and Domestic Relations the same retirement benefits presently enjoyed by Justices of the Supreme Court and of the Court of Appeals. These Judges pay the same amount of monthly retirement premiums as the Justices of the Supreme Court and of the Court of Appeals but upon retirement receive a lump sum gratuity equivalent to only 3 years' salary, while retiring Justices receive an amount equivalent to 5 years' salary.

6. Amend Section 171 of the Revised Administrative Code, as amended by Republic Act 1802, relative to the vacation leave of Judges of the Courts of First Instance. This will eliminate the maximum of 10 months of total vacation leave that the Judges of the Courts of First Instance can accumulate, as in the case of the Justices of the Supreme Court and of the Court of Appeals.

7. Increase the salary of Judges of the Courts of First Instance from P16,000.00 to P20,000.00. I recommend the passage of this bill should Congress finally approve two other bills pending therein; one pending in the Senate increasing the annual compensation of the Justices of the Supreme Court to P29,000.00 and P28,000.00, for the Chief Justice and the Associate Justices, respectively; and another pending in the House of Representatives (H. B. No. 1726) increasing the annual compensation of the Justices of the Court of Appeals to P23,000.00 and P22,000.00, for the Presiding Justice and the Associate Justices, respectively.

8. Create additional positions for solicitors and trial attorneys in the Office of the Solicitor General. The ever-increasing volume of cases handled by that Office makes provisions for additional personnel necessary.

III.—CREATION OF A MORAL COMMISSION

From the very start of our term, this Administration has categorically committed itself to the task of strengthening the nation's moral fiber. This it has done in the conviction that we have, since the years following the war, been witnessing a mounting erosion in the high moral traditions that have been our legacy from the past. Our traditional esteem for integrity and honesty efforts has been replaced, one often suspects totally, by an insidious admiration for naked wealth gathered by whatever means, for power put to whatever use, and for fame gained not so much through worthwhile achievement as through the mere acquisition of money and influence.

The results of this shift in our traditional moral values are not measurable in monetary terms. But their unfortunate effects on the nation are mirrored everywhere. They are reflected in the comparatively high incidence of corruption in both public and private halls, in the shockingly endless accounts of crimes against persons, property and public

order, in business that relies on bribe as a key to profit, in the use of political coercion to wrest economic concessions from both government and people.

This is indeed tragic. For democracy, as a system of government, premises its strength upon the actuations of a moral and self-disciplined people, and its scheme and patterns for action to advance social and economic well-being must depend on the continued possession of virtue by its citizenry.

Appraising the nation's morals in this light, we have, as this nation has so witnessed, spared no effort and no one in our drive to infuse a new moral climate into this country and restore to our people the high concepts of morality by which our forefathers ruled their lives. We have made inspiring headway in this task of ours. Our people have responded to our call for a new morality, for the springs of our people's virtue run deep, needing nothing more than a moral leadership they could believe in, in order that they may be revealed and brought to flower.

To personify this Administration's commitment to moral regeneration and to serve as a focus of the government's efforts to revive our traditional concepts of morality, we reiterate the recommendation we made last year for the creation of a Moral Commission. Such a body, to be composed of the most distinguished names in all areas of endeavor, would help immeasurably in marshaling the country's various elements and institutions in the task of raising national morality to more inspiring levels.

IV.—CONCLUSION

The task of changing the face of a country, of righting its social and economic ills and banishing the defects that enervate its government and institutions is neither the task of a day nor of a few. The transformation of a nation entails the labors of millions, each in his own sphere, working patiently through the years towards the attainment of these social, political and economic goals to which the people have committed themselves by choice either directly or through their leaders.

Neither is the goal of national growth and uplift to be achieved by a few magic laws or formulas. The fabric of a nation's economy, its society is a complex and many-faceted thing whose components, interacting endlessly with each other, respond in the manner desired only to well-conceived, integrated solutions that are pursued in selfless resolve and dedication.

The measure that we have presented to Congress this legislative year have been conceived in the light of these considerations. Our legislative proposals are the instruments of action not of one single man or party or institution, nor of the private or the public sector working separately of each other, but of all of those myriad forces that make up a nation, working in concert, bound together by a common faith in the future of a common land and people.

Our recommendations to Congress, moreover, constitute not the end but the beginning of a struggle that will last over the years, a struggle where there are no sudden, miraculous victories, and where every step forward must be fought for relentlessly, in resolution and even occasional defeat, day after painful day. The passage of our Legislative proposals carries with it no automatic assurance that our goals will be won, only the promise that the various segments of our economy may now be able to work more freely, more effectively, in the pursuit of their ends. And lastly, our proposals embrace a multitude of subjects, all of which taken together constitute an integrated scheme for the solution of the multifarious problems that beset this extensive and complex land.

Prior to this our last message for this legislative year, we sent to Congress our proposals bearing on the economy in general, the national budget, land reform, revenues and the improvement of our electoral systems and practices. The fore-going measures, together with the ones relating to the judicial system, moral regeneration and our fundamental law that we now recommend for enactment in this message constitute the foundations for our country's master plan for progress.

At the same time that we endorse their passage, we seek to emphasize that there is no room for partisanship in these legislative proposals. The measures have been conceived not in the narrow light of special economic interests but in the broad spectrum of the people's welfare. On their enactment hinges not so much success of this Administration as

the future of the aspiring millions who look to us for leadership and action. Consequently, their passage is not the responsibility of one party or one group alone but that whole group of citizens who by the people's mandate have been constituted into this nation's body of leaders.

Let the consideration of these measures that we have recommended, therefore, be done in the dispassionate light of reason not of what is good or bad for one political party, but of what is right and just for our people.

Let this legislative year be the year of decision for this nation's leadership. Let 1963 mark the beginning of an era of daring and far-seeing transformations in this country's laws, in the absence of which our most perfect schemes, our greatest hopes, for progress cannot succeed.

Let each and every Member of this country's law-making body heed not the call to party but the call to duty that lies behind each of these proposals. In the course of their deliberations on these measures, let their every act and decision reflect nothing but the highest concern for truth and public good, forsaking the temptations of blind partisanship and cheap popularity, their stand on every issue revealing nothing else but that selfless adherence to ultimate principles and objective is the duty of all those who seek to lead, for it is only in so doing that they may justly earn the right to guide our people along the long and arduous road that must be traveled by all those who seek to break away from the realms of strife and hunger and pass onward to a land of peace, justice and abundance for all.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal on Memorial Day

Address of His Excellency Diosdado Macapagal President of the Philippines On Memorial Day

[Released on May 30, 1963]

THE COMMON CHALLENGE TO AMERICANS AND FILIPINOS

ON A DAY like this when we pause to remember those Filipinos and Americans who have died in order that we may live in freedom and justice, we can only bow our heads in humility as we search our souls for an explanation of our fitness to do honor to those whose glory can neither be enhanced nor effaced by anything that we, the living, can ever say.

Nothing we can utter can raise nor pull down the stars in the heavens. All we can do is to stand in awe and behold their glory and thank God for the elevating experience. This indeed is the puny thing we can do today as we remember the immortals of two republics separated by thousands of miles of ocean yet united eternally by the blood of thousands of sons and daughters who have rendered the supreme sacrifice for common ideals.

We are gathered here today to honor particularly the memory of the American soldier.

The fame of the American soldier rests upon the fact that he has been less often employed than the soldier of any other Great Power, past or present, to serve only the ends of selfish national interest or to achieve the imperialist domination and exploitation of other peoples.

The glory of the American soldier is that none has fought more often or more loyally than he in defense of his native land as well as the freedom of others.

This is a shining record in a world long governed by the doctrine of might makes right.

In honoring the American soldier, we honor also the great American nation in whose name he fought and died. It is a nation that has kept faith with its honored dead.

Because they share a common legacy of freedom, it is fitting that today Americans and Filipinos should join together in this act of commemoration.

It is equally fitting that the two peoples, on this occasion, review the bases of their common allegiance to freedom in order that they may gather new strength and courage for the tasks and challenges that lie ahead.

The power and influence of America today rests mainly upon two things. The first is that, at home, American life and the institutions that have grown around it stand firmly on the principles of liberty, equal opportunity, and justice under the law. The second is that, abroad, the image of America more or less fairly reflects the life and institutions of the people so that she can assist other peoples in defending their freedom without incurring suspicion of her motives or fear of her ambitions.

These two propositions are somewhat over-simplified. For it is unfortunately true that there are spots on the American record, both at home and abroad. At home, the constitutional guarantee of rights for all American citizens regardless of race is yet to be enforced and respected throughout the land. This is a situation, however, which the vast majority of the American people have accepted the responsibility to change and which the United States

Government is endeavoring to correct with all possible speed. It is this recognition of the evil of racial discrimination and racial segregation as well as the acceptance of responsibility to do away with it that distinguishes the American record in this sensitive area of human rights. Any country that justifies this evil is self-condemned in the eyes of God and man; and any country that condemns the evil as a matter of principle without having suffered from it can take little credit for courage and righteousness. Only a country like the United States which is plagued by the evil of racial discrimination and is using every means to overcome it, including where necessary the use of the police power, can take just pride in its devotion to freedom and in its efforts to make fundamental human rights the common heritage of all its citizens.

We Filipinos applaud these efforts of the American people and their government. We know that on Bataan and Corregidor and on a hundred other battlefields during the Second World War, our men fought shoulder to shoulder with Americans and that the blood they shed together had the same color of red and that their commingled dust is the dust of heroes.

This is to say that the life of the American people and the ideals by which they live constitute our best assurance that the defense of liberty, within and without, shall always remain their paramount purpose and objective. We have faith that these American ideals and institutions shall continue to develop in increasing prosperity and freedom, because it is by this token, even more than by placing more astronauts in orbit, that the validity of her principles and integrity of her purposes shall be impressed upon the minds of men.

We Filipinos are perhaps more concerned than any other people over the image that America shows to the world. We are, after all, a part of that image. It was not, to begin with, a lovely image—if we go back to the origins of Philippine-American relations at the turn of the century. But after a cruel period of revolution and pacification came a system of colonial administration that was relatively benign, and that in effect constituted a revolutionary departure from the practice of imperialism then extant. The American rule in the Philippines was subject to conflicting influences of benevolence and selfish interest, but it is certainly correct to say that on balance and in the end, the impulse of generosity triumphed over its opposite.

This explains Bataan and Corregidor. This justifies the special relations of affection and consideration that bind the American and the Filipino peoples. This is our insurance that, despite transient disappointments and occasional disagreements, nothing will ever break their faith in each other and their loyalty to common ideals.

The American record in the Philippines is part of the American image abroad. We Filipinos have an important stake both in that record and in that image. We should like to help keep that record straight and that image untarnished. It is hardly necessary to say that we are in a good position to do that. Americans will be judged elsewhere on the basis of what they do here, because from what they do in a friendly and hospitable country like the Philippines, so closely linked to America by enduring ties of affection and gratitude, others would be inclined to deduce how Americans are likely to act in their own countries.

The Filipinos are of course not without responsibility in this regard. They are a living example in the eyes of the world, and particularly in the eyes of Asia, Africa and Latin America, of American policy towards a former dependency that is today a true friend and steadfast ally. The Filipinos are expected to bear themselves in the pride and dignity of Asians, secure in their freedom and independence, while maintaining relations of mutual respect and equal dignity with the Western countries, including and indeed especially the United States of America.

On the level of international and regional affairs, the Philippines is of course determined to comply with its obligations under the United Nations Charter and under existing treaties of mutual defense and systems of collective security. Yet we must recognize that the changing patterns of power relationships in our part of the world impose upon us the unavoidable duty to be ever on the alert for opportunities to strengthen the position of the free world in our region. We must not allow any free and independent country in Asia to go over to, or fall under Communist control by default, through excess of timidity or through a misguided desire for accommodation. The only thing that Communists respect is determination backed by strength.

At the same time, we are determined to miss no chance to enlarge the scope of our cooperative action and the sphere of our friendships. We are today engaged in a vitally important endeavor to improve the relations among Malaya, the Philippines and Indonesia. We believe that these countries of Malay origin, destined by history and geography to be close neighbors, have an opportunity to rediscover the bonds which the colonial past has blurred or obliterated. It is our aim to draw out of this revitalized relationship new strength with which to accomplish the mounting task of security, economic development and social progress which await us. We covet the encouragement and help of all our friends as we face this historic responsibility.

We Filipinos shall accomplish our share of this joint responsibility in the sincere belief that the Malay peoples can solve their problems, establish modalities of cooperation and achieve eventual unity among themselves, by their own efforts, by their own lights, in their own best interest, without pressure or compulsion from any quarter. We shall do this also out of our shared conviction that it is necessary for the peoples of Asia to defend themselves against the depredations of imperialism, new or old, in any guise or manifestation. Now that we are free, we are not prepared to surrender our birthright of independence through intimidation or deception to any ideological movement or military power in the world. This is the conviction which we would like to share with our friends and neighbors in Southeast Asia.

The war in the Pacific was fought to counter the design of a single power to dominate our part of the world. That design was frustrated by an alliance of free nations, including the United States and the Philippines. But today another power is making a similar attempt, by ideological subversion, infiltration and jungle warfare, to achieve the domination of our region.

It is appropriate that, on this solemn occasion, we solemnly reaffirm our common resolve to ensure that Communism shall not be allowed to achieve its evil purpose.

It may be well that Memorial Day reminds us as individuals of the spirit of sacrifice without which humanity would not be as it is today and with which alone it could have reasonable hope of uplift for the future. It is this spirit which has kept the flame of democracy and freedom alive through centuries of crucial tests onto the years of crises of our times. Paradoxically, it is this very same spirit which has been shaped and merged with the operational code of a repugnant ideology for the destruction of democracy and the debasement of the human person. In the face of this threat that hangs over us and our children which has been disguised under the mask of a false friendship and humanism, the only way out is for us in societies of free men to surpass the zeal of the adversary that we may all labor together to buttress the ramparts of our economics, political and spiritual strength and invincibility.

In this hallowed place, within sight of the graves of those who died to keep Asia free, let us therefore dedicate ourselves anew to the continuing struggle to keep freedom secure in the lands of Asia.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**NATIONAL GOVERNMENT PORTAL – EDITED AT THE OFFICE OF THE PRESIDENT OF THE
PHILIPPINES UNDER COMMONWEALTH ACT NO. 638**

Address of President Macapagal on Independence Day, June 12, 1963

THE UNFINISHED REVOLUTION

**PRESIDENT MACAPAGAL'S INDEPENDENCE DAY ADDRESS AT
THE LUNETA ON JUNE 12, 1963**

WE HAVE heard the strains of the Philippine national anthem. We behold in its glory the Filipino flag waving proudly in our skies. The flag and the anthem are the outward marks of the soul of a nation that is born into life. This flag was woven by the loving hands of Filipino women who joined their sons and husbands in the violent quest for liberty. This anthem was composed amidst the din of cannon and musketry. The circumstances attending the birth of the flag and the anthem reflect the manner in which the Filipino nation was born in the throes of combat, sacrifice, and heroism.

On Independence Day, therefore, this is the one thing to remember: that as our freedom was won and paid for with the blood and lives of our heroes, so we and our, posterity must ever be ready to offer our blood and our lives in order to preserve forever our God-given right to liberty.

June 12, 1898, marked the culmination of the long series of armed revolts and uprisings which our forefathers had waged for nearly four hundred years to protest injustice, win basic rights, and achieve reforms. On that day, the numerous local or regional uprisings that had broken out every three or four years in protest against the abuses of foreign rule finally achieved the dramatic climax of a national movement for liberation. Under the leadership of Andres Bonifacio in Manila and of Emilio Aguinaldo in Cavite, a localized revolt suddenly exploded into a national revolution.

The date, the twelfth of June, gives greater depth to the canvas of our national history. It affords us the perspective to view the nearly four hundred years of Spanish rule as the period during which the Filipino nation was forged upon the anvil of colonial rule. We see clearly how the numerous communities inhabiting these islands, each with its own system of tribal rule and its own complex of tribal loyalties, slowly emerged through the fires of colonial oppression to form one nation—a nation beaten into shape and tempered by the hands of the *conquistadores* and missionaries of one of the greatest empires the world has ever seen. We come to understand that it was by this slow and painful historical process that the sense of Filipino national identity was born.

This perspective permits us also to view more clearly the role of the United States of America in the building of our nation. This power was a late-comer on the stage of imperialism. Being itself the product of an anti-colonial revolution, it felt the stirrings of an anti-imperialist conscience. After helping us to throw off the Spanish yoke, the United States decided to remain in the belief that we needed guidance in self-government and a period of political stability before we could effectively assume the responsibilities of national independence. It is in the context of the mixed purposes of the American rule, the alternating motives of self-interest and benevolence, that independence emerged as the definite goal of the American administration in the Philippines. At the end of World War II, during which Americans and Filipinos sealed in blood their common devotion to freedom and democracy, the United States restored and recognized the independence of the Philippines on July 4, 1946.

The perspective of the 12th of June, thus enables us to turn to both the peoples of Spain and the United States of America without bitterness or rancor but rather in sincere friendship, reserving for their representatives here present a special acknowledgement of our past association and the candid expression of our readiness to join with them on a basis of mutual respect as equals in defending and advancing the values we cherish in common.

In 1946 we ended our tutelage in democracy under the United States, not because we did not cherish our relationship, but because this was a duty we owed to ourselves. Indeed, we cherish that relationship so well that on parting we had, as it were, the feeling of a son who, on being released from parental authority, in sadness leaves the home of his parents or foster-parents but with gladness builds a home and family of his own. And as a son who has left to make his own home and to raise his own family does not nevertheless sever the ties of love and gratitude that bind him to his parents or foster-parents. I know that I bespeak the sentiment of our people in saying that even as in freedom we build our own national household in closer association with our Asian brothers so the Filipino people maintain their esteem and affection for the American people and shall be ready, as in the past, to stand side by side with the American people in laboring and, if need be, in fighting for our common ideals.

In the present feverish period of accelerated decolonization, it is a matter of contemplation for Filipinos to recall that their Revolution of 1896 was the first national anti-colonial revolution in Asia, antedating the Chinese Revolution by 11 years and the Indian revolutionary movement by 30 years. Dr. Jose Rizal was more than the national hero of the Filipinos, the poet and philosopher of the Philippine Revolution. He was the inheritor of the libertarian movement that had won the independence of Spanish America nearly 80 years before. His life and work provided the bridge that brought the revolutionary spirit from Spanish America across the Pacific to Asia and thence westward to Africa. It was the hand of Rizal that brought to Asia the torch of liberty from Simon Bolivar and San Martin, and it was from this torch that Dr. Sun Yat-sen and Mahatma Gandhi lighted their own. It is in this historical context that Rizal, Bonifacio, and Aguinaldo emerged not only as the heroes of Philippine independence but also as the inspirers of the massive struggle of the Asian peoples for human dignity, justice, and liberty. We are proud of their achievements as Filipinos, but their greatness truly belongs to the Malay race and to all Asians.

It is in a serene and objective spirit that we regard our colonial past with humility. All revolutions suffer from a common fatality in that they eventually lose momentum or direction, or they are betrayed and subverted. Sooner or later, whether wittingly or not, a counter-revolution sets in and the force of the original movement is blunted or turned against itself.

In the case of the Philippine Revolution, the fact that American power intervened at the very moment when the movement was about to achieve total success resulted in the rapid dissipation of the force behind it as well as in the abandonment of its ultimate objectives in the political, economic, and social fields. An exclusively Filipino revolution, following the overthrow of Spanish rule, would have addressed itself to the task of reconstructing Philippine society from top to bottom. It would have attempted to alter radically the economic and social relationships of the people as the only way by which the national economy could prosper through increased productivity so that the dead weight of poverty may be lifted from the backs of the people. The American tutelage in political democracy over us interrupted this natural course of the Revolution. The development of our country was no longer dictated exclusively by the inherent logic of our economic and social condition. Inevitably, our development was conditioned by the purposes, principles, and traditions of the American people and their government.

Our national revolution may thus be said to have been interrupted six decades ago, so that today and for a time to come we are faced with the remaining tasks of the Unfinished Revolution.

These tasks may be grouped under the general head of the need to do away with the surviving evils of colonialism. Principal among these evils is the tendency to regard the achievement of national liberation or independence as an end in itself rather than as a means to an end. This attitude is responsible for situations where the political power wrested from the hands of the alien ruler is merely transferred to native hands while it is not used to free the people from their continuing bondage to poverty, ignorance, and disease. Until that power is so used, true freedom is denied to the people. For it is not enough that a people are free from alien rule; they must be given a chance to build their freedom from within through the enhancement of human dignity, greater respect for individual rights, and wider opportunity for productive and gainful labor.

Unless the attributes of independence are used to redress social injustice, economic inequality, and the degradation of poverty, such independence must largely remain a pretense and a fraud. In this way, we in fact perpetuate the evils of colonialism under the cover of national independence.

Recognizing this fundamental fact, we have geared the entire program of the Administration to a single purpose, namely: to use our national independence as an instrument for the improvement of the life of our people, for strengthening their liberties through respect for law, morality, and hard work, for assuring their security in cooperation with their allies and neighbors—in one word, to insure that independence shall not be an empty victory because it shall mean not only independence from alien rule but independence and freedom from want and poverty, inequality, and insecurity for all our people.

In order to achieve this purpose, the Administration has simultaneously launched a coordinated national policy in three fields; namely, through an unremitting campaign of moral regeneration, through an integrated program of economic and social development, and through a foreign policy based on closer association and cooperation with our neighbors and with the other countries of the free world.

The first requirement for the maximum realization of our national potential in freedom and independence is the strengthening of the moral fiber of our people. Though our repeated exhortations may appear tiresome to the cynics, we shall not falter in our efforts to prod and goad the national conscience as well as the individual conscience until the sense of shame, first, and later the sense of dignity are sufficiently aroused among our people to induce them to renounce dishonesty and immorality and to reject graft and corruption. In this drive for moral regeneration, we shall lead the way by means of personal example. We assure our people that despite the lack of appreciation and encouragement from cynical critics, we shall conduct our office with absolute rectitude, without enriching ourselves even by one dishonest centavo, realizing that no revolution for the people, violent or peaceful, can endure and succeed if its leaders are rendered ineffectual by moral weakness.

Our integrated program of economic and social development is intended, above all, to push forward the neglected tasks of the Unfinished Revolution. Too long has it been the practice of past administrations to tackle piecemeal and in brief spurts of enthusiasm the manifold and inter-related problems of economic underdevelopment and social backwardness. Too often have past programs touched only the outer fringes of these problems. The time has come when a coordinated and integrated attack must be made against the very core and center of these problems.

Two examples illustrate this policy of cutting through to the heart of our economic problems. One is the fundamental decision which we took at the beginning of this administration to decontrol the national economy. The system of economic controls which had been in existence for more than ten years not only had spawned graft and corruption to an unprecedented degree but had placed our economy in a straitjacket and prevented growth and expansion under the normal interplay of economic forces. With one decisive stroke, by abolishing controls, we liberated the economy and removed the major source of moral infection in the body politic. This was an exemplification of our policy of solving our economic ills not by means of temporary palliatives but by policies that go deep into the very core of the problem, and of the fact that in letting go out of our hands the tremendous economic and political power that lay in controls, we implemented our policy to exercise power judiciously not for its own sake but for the sake of the people and to be ready at all times to accept the reduction of our power whenever demanded by the welfare of the people.

Another demonstration of our policy of meeting our problems frontally and correctly is our program of land reform. All our life we have lived with this problem; we were born into it and have studied it at first hand. We know that the problems of under-production, under-employment, low income, rural backwardness, and even the rice shortage are the result of our feudal system of land tenure. The revision of this land tenure system is long overdue, and courage and vision are needed to undertake it. We must have adequate and effective legislation to even start this herculean task. We commend both Houses of Congress for moving in the current special session towards the approval of the land reform bill and trust that it shall be approved in a satisfactory form. Insofar as we are concerned, recognizing that the abolition of tenancy and the development of owner-cultivatorship in our farms are an integral part of the ideals of our Unfinished Revolution, we are resolved that before we step clown from the Presidency we shall labor to bring about and to insure the success of land reform,

It is not easy to attain victory in a revolution which calls for measures that affect the future and destiny of the people. It was not easy for Aguinaldo and Bonifacio to achieve triumph in their violent revolution. We fully realize that it will not be easy either to win our peaceful revolution because the defenders of the *status quo* are powerful and active. But as Bonifacio and Aguinaldo persevered in their struggle towards victory until death or capture, we are

resolved to persevere in our peaceful revolution for a better life for our people until we succeed or, if need be, until we fall, confident that if we should fall, some noble Filipino leader will pick up the torch to carry on the peaceful revolution until victory is won.

It is appropriate at this point to refer to the recent developments in our foreign relations because it is in this domain where the international personality of our independent and sovereign Republic is being shaped and moulded. Basically, these developments have taken two directions: First, the rationalization and stabilization of our relations with the United States so as to ensure that our cooperation and alliance with it will continue to be inspired by common ideals and aspirations and solidly based upon mutual respect and consideration.

Secondly, we are determined to strengthen our relations with our neighbors in Asia, and in particular, with our sister-nations—Malaya and Indonesia—with whom we are linked by close ties of race, culture, and history.

The Filipinos are descendants of Malay peoples who settled in our islands after migrating from other Malayan lands. When Lapu-Lapu first defied the foreign conqueror, Ferdinand Magellan, and killed him in combat on Mactan Island in 1521, he was expressing not only the love for liberty of the Filipinos but of the Malay race. By the same token, when in 1896 Bonifacio tore the cedula and raised the frenzied cry of freedom in Balintawak, his was the voice of liberty which is inherent in the soul of all Malay peoples. Today, the spirit of Lapu-Lapu and Bonifacio has prevailed because the other Malay nations, Indonesia and Malaya, also regained their freedom in 1945 and 1957, respectively. It is, therefore, most fitting, symbolic, and historic that on this sixty-fifth commemoration of our freedom, we have in our midst, as special honored guests, the representatives of our sister nations, Malaya, and Indonesia, His Excellency Tun Abdul Razak, deputy prime minister of the federation of Malaya, and His Excellency, Dr. Subandrio, Deputy First minister and foreign minister of the Republic of Indonesia, to whom I convey personally the affectionate greetings of their brothers, the Filipinos.

Tun Razak and Dr. Subandrio have been in our capital for the past few days meeting with our Vice-President and Secretary of Foreign Affairs in tripartite ministerial talks on common problems. These problems are so complicated that the talks were conceived amid undertones of apparently irreconcilable conflict. Indeed, when the talks were proposed by the Philippines, many world capitals were skeptical that the tripartite meeting would be able to resolve the complex problems involved. This is just as auspicious an occasion as any to make public the report submitted to me by our Vice-President that in these ministerial talks, the three sister countries of Malaya, Indonesia, and the Philippines will give a pleasant surprise to the world because agreement has been reached in principle on the most difficult problems on the basis of giving due protection to the interests of each and consideration for the common well-being of all, thereby assuring security and stability of the three countries and of the area in which Divine Providence has placed the three sister peoples together.

As a result of the talks of the foreign ministers of the three countries, the holding of the tripartite Summit Meeting has been assured. We thus look forward to the next visit to Manila of Bung Karho, President of Indonesia, and of the Tunku, Prime Minister of Malaya, when we shall again have the opportunity to demonstrate to them and to their peoples the good will, friendship, and affection of the Filipino people.

From here on, it should not come as a surprise to any other nation and to the world that the three nations of Malay origin, availing of the spiritual strength born of the awareness of their common racial stock and their geographic propinquity, will continue to resolve their common problems in justice, harmony, and peace not only in their own interest but as a contribution to the general well-being of mankind. Considering that Malaya was ruled by the United Kingdom, Indonesia by the Netherlands, and the Philippines by Spain and the United States, the harmony and cooperation shown by our three Malay peoples despite their differing colonial backgrounds should be a lesson for all statesmen of the world to profit from. This is indisputable proof that despite the divisive influences of the past, it is possible for nations to unite in brotherhood, harmony, and peace in the interest of a better future for all mankind.

Today, therefore, as we commemorate the birth of our nation out of the sacrifices of the Philippine Revolution of 1896, we must realize that although that revolution resulted in our political freedom, it has not yet emancipated our people from economic and social bondage or given them freedom from poverty and inequality of opportunity. We are called upon to continue the revolution, through democratic means, until we achieve that degree of economic and

social progress which is commensurate to the right of every citizen to a dignified and contented life. Because of the endeavor in which we are engaged, our administration may be described as a revolution, although a peaceful one. It demands of all of us the same spirit of unselfishness and readiness for sacrifice that the revolutionists of 1896 gave to the cause. Every great and worthy ideal requires sacrifice and hardship to attain it. The ideal of an abundant and dignified life for the poorest and humblest of our citizens requires no less. He is not true to the heritage of the Revolution of 1896 who whimpers in the face of temporary hardship or abets discontent as we pursue our peaceful revolution for economic and social liberty. The test of manhood and patriotism is found in the sacrifices that precede the conquest of a great goal. On this our noble day of freedom, we therefore call upon all our countrymen to join the ranks of our Unfinished Revolution and in so joining, brace ourselves as true revolutionaries for the ordeal of struggle that awaits us, confident that by our fortitude and sacrifice, the ancient chains of poverty and misery shall be broken and there shall come to our people a new birth of freedom, justice, and abundance for all.

Source: **Supreme Court Library**

Message of President Macapagal on Independence Day , June 12, 1963

PRESIDENT MACAPAGAL'S INDEPENDENCE DAY MESSAGE

On June 12, our nation commemorates one of the most solemn moments in its history. It was on this day, sixty-five years ago, that the people of the Philippines first cast aside the chains of colonialism. For decades, the hopes, ambitions, and aspirations of our people had been focused on this moment when they would have their first taste of freedom.

This date carries special meaning not only for Filipinos but for all Asians alike. It was on June 12 that the first rays of freedom shined in this part of the globe, the first time that a subject people of Asia found success in defying their colonial master. The years that have elapsed since then have not failed to dampen our people's pride in the glory of the moment.

However, short this freedom may have lasted, still it was long enough to consecrate that moment in the hearts of the Filipinos of that day and of those to come after them, long enough to instill in the minds of the other captive peoples of Asia a longing to be free and a desire to shape their own destinies as a nation.

Patriotism, courage, and sacrifice—these were the qualities that guided our forefathers in their quest for national dignity and freedom. These are the qualities that will continue to guide us in our present struggle to give new meaning and significance to the freedom bequeathed to us by our ancestors.

On this occasion, it is but fitting that we rededicate ourselves to the noble ideals that inspired our ancestors and to keep alive their vision of a free and independent Philippines.

DIOSDADO MACAPAGAL
President of the Philippines

Source: **Supreme Court Library**

Speech of President Macapagal delivered before the American Chamber of Commerce at its 43rd Anniversary Dinner

**Speech
of
His Excellency Diosdado Macapagal
President of the Philippines
Before the American Chamber of Commerce at its 43rd Anniversary Dinner**

[Delivered at the Manila Polo Club, July 12, 1963]

**AMERICAN-PHILIPPINE
COLLABORATION
ECONOMIC DEVELOPMENT**

IN

PHILIPPINE

I CONGRATULATE the American Chamber of Commerce on the 43rd anniversary of its founding and earnestly hope that it shall continue in the vigorous pursuit of its objectives.

You are no doubt aware that this Administration is engaged in a vigorous implementation of an integrated five-year-socio-economic development program which was launched a year ago. To attract foreign investment, to induce it to assist Philippine capital in the economic development of the Philippines, is a principal objective of this program.

In this connection, may I venture the statement that the relationship between the United States and the Philippines is one of the most beautiful in the annals of mankind. For over forty years under its tutelage, the United States intensified the love of our people for freedom and free way of life. Philippine democracy and the Philippine Republic today are thus a handiwork of America. Considering this background, as our nation is now engaged in widening the ramparts of liberty from the political field to the economic field by endeavoring to help our people attain freedom from want and hunger, and finding that in this effort we need the assistance of foreign investment and capital, we trust that it shall not be a cause for jealousy on the part of other foreign countries that we acknowledge in candor and I so declare this evening, that in desiring foreign capital, we are partial and have preference for American capital.

To the Filipino people, economic development is not a matter of improving upon the comforts of their lives. Economic development to us is a matter of survival. The affluence enjoyed by a conspicuous but minor segment of our metropolitan society cannot conceal the ugliness of the poverty that depraves the bodies and the minds of our overwhelming majority.

Contemporary history is dogmatic in its lesson that where a people is confronted by a problem of this nature and magnitude, those who assume the responsibilities of national management are constrained to a choice of either two alternatives.

One is to subject all economic activities to the jurisdiction of public power which becomes the prime instrument of a forced development. Many underdeveloped countries have already given the world the pattern of this choice.

The other is to nourish and to rely upon the energies of private enterprise as the impelling force of voluntary economic improvements. My Administration is uncompromisingly committed to the latter, and has reversed a trend to which years of exchange controls were unmistakably committing the direction of public policy.

I recall vividly those anxious days when twenty-one days after I assumed office, I discarded the system of controls which had been in force for the previous twelve years in order to decontrol and restore free enterprise. They were anxious days because the action of decontrol was taken under the worst conditions in which such far-reaching measure of economic reform could be undertaken. The conditions were not auspicious because the Government was in a state of bankruptcy. The International Reserve situation was, in the words of Governor Cuaderno of the Central

Bank, in extremis, with \$101 million recorded in the Central Bank books but with existing obligations \$341 million at the preferred rate, a situation which was compounded in its gravity by the prevalence of graft and corruption.

Now that the decontrol program has manifestly been a success, I will disclose the considerations which moved me to effect decontrol under these conditions. Two fundamental considerations motivated my action. The first was the consideration that our resources which are capable of supporting 100 million population as against our present population of 30 million people are so abundant that our economy would certainly fare well under any circumstances, and if worse comes to the worst, in spite of bungling on the part of our political leaders. The second consideration which moved me to decisive action was the conviction that among all the traits of our people, good and bad, the outstanding one is their adherence to freedom which amounts to a passion. This is the one quality of our people from the dawn of our history which was later intensified by our association with the United States. If there is any thing that the Filipino desires above all else, it is freedom: if he has freedom, he can bear unfavorable circumstances, and with freedom he feels that he can achieve anything. Relying upon the implications of this conviction, I decided that whatever adverse circumstances there were, if my Administration restored freedom to our people as the means through which to seek their economic and social progress, they could not possibly fail. Now I have reason to lift my eyes to Almighty God in thanks that by the success, which experts have described as amazing, that has been attained in the operation of our decontrol program, I was proven to be correct in my estimate that our people will not exchange freedom for anything, and provided that the liberty they love so much is kept secure in their hands, they will conquer any obstacle and any adversity in order to attain a better life in liberty for themselves and their posterity.

Now, therefore, that the Philippines has her feet firmly set upon the path of freedom and democracy as the avenue through which to seek economic development and social progress, I venture the view that free enterprise in the Philippines is going to stay within the foreseeable future. Considering this fact, which insures political stability that is so rare in this part of the world, and considering the rich and abundant resources of the land, I feel justified in making the rightful claim that the Philippines is and shall be for quite a time to come one of the best investment fields in Asia and possibly throughout the world.

I said before that the historic relations between the United States and the Philippines have been one of the most inspiring in history. During the period of American stewardship, the United States intensified our passion for liberty, thereby strengthening our system of democracy. She recognized our independence in 1946 after having effectively tutored us in the democratic system. But while the boon of American tutelage was far-reaching, there were certain requirements of economic and social progress which time did not allow to be accomplished by the end of American rule.

Among these was an effective land reform which would redeem the Filipino common man who tills our farms not only from political but from economic bondage as well. On this very day, after 29 days of intensive and extensive deliberations, the two Houses of the Philippine Congress finally enacted what has been overdue for centuries—a land reform bill that will set free the tenants from the shackles of social and economic bondage.

In this connection, I will avail of this occasion to make a disclosure. During the deliberations on the War Damage Bill in the American Congress, we eyed with interest the idea of Senator Fulbright to place within the authority of the Philippine Government a portion of the proposed payments after the satisfaction of the overwhelming number of claims. Recognizing that it was the responsibility of the United States Government to make a decision on this matter, we nevertheless prepared a plan, should the Senator's proposal materialize, to use whatever amount from this American act of bounty would be disposable by the Philippine Government for the purpose of a land reform program. Apart from the usefulness of such a step in meeting the current problems of the country, it was part of our intention to give an opportunity to the United States that had been so altruistic to our people to continue her partnership with us in the shaping of an effective Philippine democracy by promoting economic democracy through participation in land reform even after giving us political democracy through the grant of independence.

It appears, however, that this noble concept which we formed may not materialize. Even so, although this opportunity placed within the reach of the United States to complete, before the bar of history, her construction in the Philippines of both a political and economic democracy, there is another vast field in which American leaders and individuals, both in government and in the private sector, may continue the noble work of America in the

establishment of a virile democracy in this part of the world. That field is economic development in which the Philippine government is today engaged through the formulation and execution of its integrated socio-economic development program in a setting of free enterprise.

In the contemplation of the collaboration of foreign capital, particularly American capital, in our economic development, the first consideration that draws attention is the concept of a joint venture between domestic and foreign capital. There are two extremes of thought which have sought to delimit the area of public debate on foreign investment. One is the view which holds that genuine economic progress of the Filipino people may be achieved only through a nationalist policy of exclusion. The other, no less extreme, is the view which holds that Philippine economic progress must necessarily rest upon a national policy which does not declare a preference in favor of the legitimate aspirations of its citizens.

My Administration rejects both extremes of thought and anchors its policy on foreign investments upon the following declaration of principle which we submitted to Congress last year:

“While we uphold that the principal responsibility for development should belong to Filipino citizens, who must be the principal determinants as well as the chief beneficiaries of Philippine economic progress, we at the same time caution against the type of radical nationalism and nationalization measures that deter the coming of foreign assistance in our economic development. We must be sincere in attracting foreign capital to invest in productive enterprises in our country in *joint ventures with Filipino businessmen and must show this sincerity not in words but in deeds.*”

Accordingly, we pledged to implement—

“A set of policies and measures to provide guarantees to foreign investors in particular lines of investments, principally mineral exploration and heavy industries such as iron and steel and basic chemicals, together with an official declaration of preference for *joint international business ventures with substantial Filipino capital and management participation.*”

On this occasion, graced by the American community, we feel that we are in the company, not only of welcome guests to our land, but of intimate friends. We look upon this audience as one that is sympathetically sensitive to the legitimate aspirations of the Filipino people and whose collective attitude is contained in the apt counsel of a former president of this Chamber, Harold D. Carl, whose instruction to you as reported in the July 1962 issue of the Journal of this Chamber I quote as follows:

“The American community has had a very long and unique association with the Filipinos, outstanding in the foreign relationships of the American people. For a long time, the conduct of relations between us was primarily the function of the officials who were sent here from Washington. But as time progresses, it becomes more and more apparent that the relationship will, from the American side, fall more and more upon the American business people here. *It therefore becomes a problem of the American business community to keep itself alert to and aware of the aims and objectives of the Filipinos.* We must be critically constructive; we must be willing to assist.” (*Journal of the American Chamber of Commerce*, issue of July, 1962, “The Chamber in Action.”)

It is essential, indeed, that foreign investment, in a politically independent but underdeveloped economy, assume a form that removes it from the malicious gossip of its detractors who never tire of voicing the obsessive fear that foreign investment seeks to control rather than assist a developing economy.

This is not so, and all indications suggest that foreign investment has now recognized the context in which it must operate in independent countries and has, accordingly, reoriented its policy to one which, without abdicating the profit motive, is designed to *assist* rather than dominate, *stimulate* rather than exclude, the energies and capital of its new-found environment. It is a policy that reflects a motive and a desire of foreign investors to share the fruits of their activities with such local capitalists of the host country who manifest their willingness to participate in a common venture.

“Not to control but to stimulate”—this is the social conscience, the spirit of mission which American capital, seeking outlet for its pioneer energies, brings to the new frontier of underdeveloped economies. It is a social conscience which fully responds to the needs, preferences and aspirations of underdeveloped but independent nations.

Hence, while not prohibiting the operations of wholly-owned foreign subsidiaries in the Philippines, our program has declared an official preference in favor of “joint-international ventures with substantial Filipino capital and management participation.” Because a wholly-owned subsidiary, by necessary implication, admits of no local investment participation, profits derived from business activities in the host economy, must inevitably be remitted, totally and completely, abroad, leaving nothing to such local investors who may have been willing to participate in the undertaking, but whose offer to participate has been declined. It leaves an image that breeds distrust and suspicion among local capitalists and lends itself to the charge of being instruments of selfish exploitation. The concept of a wholly-owned subsidiary reflects a policy of exclusion in reverse, directed by the guest against the very nationals of its host.

It is therefore with gratification that we learn of the decision of the Shell affiliates last year to open their capital structure to the participation of domestic investment. As the *Industrial Philippines* in its issue of September 1962 proudly reported—

“Filipino investment in the three Shell companies in the country—the Shell Co. of the Phil. Ltd., the Shell Refining Co. (Phil.) Inc., and the Shell Chemical Co. (Phil.) Inc.—is the largest single Filipino investment in local petroleum refining and distribution. It amounts to P30,600,000.”

Our Administration considers this move a significant one and which we earnestly hope will serve as a precedent for others to follow.

For in the ultimate analysis the lasting assurance that the hospitality extended by a host economy to foreign investment will not be revoked, that it will not eventually assume the ugly form of a nationalization proceeding, is one that springs from the goodwill generated by a mutually profitable partnership between local and foreign entrepreneurs. Where the host country begins to feel that local capital has been deliberately denied equitable participation by foreign investment in activities conducted within the national economy, the natural reaction is bound to be one of national resentment which often translates itself into either nationalization or expropriation measures.

This is the lesson which we can draw from two critical areas of economic activity in the Philippines today. One is the mining industry. The other is the retail trade.

The mining industry was pioneered by the entrepreneurial boldness, capital, skill and initiative of American enterprise and was founded upon the vision of its Haussermans, the pertinacity of its Petersens, Mitkes, Cadwalladers and Marsmans. This industry, from its inception, however, was conceived by its founder in the nature of a joint undertaking between domestic and foreign capital, and no one can say that both came out poorer in the bargain.

It is noteworthy that the mining industry, as one that has been developed by the joint undertaking of Filipino and foreign capital, was spared from the lash of the postwar nationalization sentiment that eventually affected the retail trade where an alien capital was felt to have deliberately conspired in relegating Filipino entrepreneurs to a minor role, if not exclude them altogether.

Today, alien capital has been barred from the retail trade. This is not so in the case of mining where the goodwill that was born from a sense of local investment participation gives assurance that foreign capital shall always be welcome in this particular area of economic activity.

A comparative study of the national response to these two areas of business venture, the mining industry and the retail trade, is valuable in the lesson that it gives.

In the case of the nationalization of the retail trade, it is further significant that same was certified by no less than the late President Magsaysay whom no one can accuse of having been an ultra-nationalist. But even a leader of such liberal and tolerant temper as he was could not resist the tide of an aroused national sentiment that was directed against an alien capital because it gave to the public an image of a type of investment that sought to dominate a segment of our economy.

The Philippine response to the basic fact of the retail trade, prior to its nationalization, is no different from the reaction which the American people would surely have if they were to wake up one day with the discovery that their mining industry has fallen into the hands of French investment, or that their steel industry is under the control of Italian syndicates, or that their banking business has [alien under the dominance of Israeli financiers.

We have accordingly postulated the role of government and foreign investment in Philippine economic development upon the following principles stated in our integrated program:

“The principal responsibility for development belongs to Filipino citizens. They must be the principal determinants as well as the chief beneficiaries of economic progress. At the same time *the Filipino will welcome all foreign assistance that does not wrest from him his supremacy over his own economic affairs*. The new Administration is pledged to see that all such assistance shall be treated with justice.

“The role of the government is to create a favorable environment for and to assist private business in the performance of its rightful task of developing the country and its resources, to provide guidance and inducements, to protect nationals in their legitimate aspirations and to ensure the just treatment of foreigners who provide assistance to nationals in the establishment and operation of business ventures in the country.”

The second consideration regarding the collaboration of foreign capital in our economic growth is that our Administration is undertaking all possible steps to create and maintain a climate where private enterprise can thrive in ultimate fulfillment.

In further implementation of this policy, our Administration initiated negotiations for sale of the government's interests in various enterprises, such as the textile mills of the National Development Corporation, the Manila Hotel, and the Cebu Portland Cement. Only recently, in an address before the representatives of the private sectors, we committed the Administration to the sale of the government-operated bus lines in Luzon. Our Administration seeks to confine the role of government in economic development to a planned program of public investment for the maintenance, establishment, and expansion of those physical facilities which private enterprise cannot be expected to undertake by itself but which are essential requisites for its own growth and expansion.

This type of government planning to which our Administration is committed should not be confused with a desire to interfere or compete with the normal functions of private enterprise. It is rather intended and designed to create “the favorable climate necessary for investment, as evidence of a strong social link, in a community aware of the requirements of development.” It is this climate which establishes the necessary inducement for foreign participation in our economic development.

Already, visiting bankers, businessmen and industrialists have been unanimous and articulate in their enthusiastic judgment of the new investment potential of the Philippines.

In assigning to private enterprise primary responsibility for the economic development of the Philippines, our Administration has charged it with a critical mission. In the context of a world divided between two diametrically-opposed ideologies competing for the faith of peoples in every underdeveloped economy, the normal function of private enterprise assumes a new dimension. It becomes vested with a public and social responsibility. It is now imperative that private enterprise measure up to the faith which sustains it. To fail in this, it risks the penalty of oppressing alternatives to which we are witness in the neighboring regions of the world where poverty found renewed hope in the precepts of a different society.

In concrete terms, this means that private enterprise must now assume principal responsibility as main provider for an unemployed labor force of 1.5 million, increasing steadily at the rate of 350,000 a year, not to mention providing full employment for the millions of those that are now underemployed. It must assume principal responsibility for raising the submarginal living conditions of the great majority of our people to one befitting the dignity of human beings. Private enterprise must now muster all the ingenuity that it can command to open new and additional avenues of employment, of production and economic opportunities. This is the magnitude of its task, measured against the magnitude of our economic deficiencies.

To foreign investment, the task of assisting private enterprise develop the economy of an independent country, should provide stimulating challenges.

Upon the actuation particularly of American investment in this country will, in no significant degree, hinge the success of our national venture, and the character of the relationship between our two peoples.

Indeed, our Administration sees no real impediment to an accelerated entry of foreign capital in the Philippines today. The rate of return on investment here, not to mention the tremendous growth prospect of the same, favorably compares with that existing elsewhere. We are aware that there is an abundant surplus of capital in the United States which only now is beginning to be conscious of the tremendous opportunities that exist outside its national boundaries.

On our side, we now have every right to look to American capital for needed and full support of our economic program. We have, through the Parity Ordinance, the Laurel-Langley Agreement, the abolition of controls, the restoration of full initiative to private enterprise, the systematic campaign against graft and corruption, taken far-reaching measures to accommodate the conditions of American investment. These constitutional and administrative concessions should now provide us with the necessary basis for expecting from each other the fulfillment of our respective roles in the magnificent task of erecting the structure of Philippine economic development.

Together, we have a rendezvous with the progress of this country that shall, through our enlightened collaboration, become a strong Philippine Republic—strong and free politically and economically—that can contribute effectively to the building and preservation of a system of freedom and justice in this part of the world.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**NATIONAL GOVERNMENT PORTAL – EDITED AT THE OFFICE OF THE PRESIDENT OF THE
PHILIPPINES UNDER COMMONWEALTH ACT NO. 638**

Address of President Macapagal at the PNB dinner

**Speech
of
His Excellency Diosdado Macapagal
President of the Philippines
At the PNB dinner**

[Delivered at the Manila Hotel, July 22, 1963]

**CHANGE—THE
FOR PROGRESS**

PATTERN

WE CELEBRATE this evening two occasions of significance to the Philippine financial world.

Tonight, we mark the start of the PNB's forty-seventh year of existence, a period that has seen the Bank grow from its small beginnings in 1916 to an institution whose resources now total more than one billion three hundred million pesos and whose role in setting the tempo and direction of the country's financial system has become not only important but irreplaceable. At the same time that we commemorate the Bank's forty-seventh year of life, we celebrate as well the commencement of the existence of its investment subsidiary, the National Investment and Development Corporation, an agency conceived and organized by the PNB as an instrument for providing our entrepreneurs with the long-term loan and equity capital that they so vitally need and so woefully lack.

In more ways than one, tonight's joint occasion is an extremely symbolic event. The inauguration of the NIDC on the same day that PNB celebrates its anniversary serves as an eloquent manifestation of the Bank's unrelenting adherence to the creed of service that has ruled its decisions and policies over the years. But beyond that, the joint affair symbolizes as well the inescapable fact that the *pattern of progress* is the *pattern of change*—of the traditional giving way to the new—of new ideas, new institutions evolving or departing from the old.

The realization that tonight's celebration personifies progress through change strikes our mind with singular impact. For it is precisely the concept of growth through change—of economic advance through innovation, reform or peaceful revolution—that lies at the core of the Five-Year Integrated Socio-Economic Development Program.

Our blueprint for economic progress commits us to the attainment of certain socio-economic goals, goals which are in the ultimate analysis translatable into our driving desire to grant our people a life of prosperity and dignity under freedom. To achieve this basic end, the Five-Year Program assumes that profound changes—changes that would approach the magnitudes of a peaceful revolution in some instances—must take place in the structure and directions of our economy and in the values and the motivations of our people.

During these times, when the thunder and emotionalism of partisan political wranglings continues to beset the nation's ears, when our people, bombarded with the unending diversions of often uninformed critics, remain continually in danger of losing sight of the basic long-term goal that we have set out to achieve, it may be profitable for us to pause and ponder once more on some of the far-reaching changes that have been envisioned as necessary to the success of our plans for national progress. And so we ask ourselves: What are the changes needed to enable us to achieve our socio-economic objectives and assure for our people the gift of a better life?

The first change that was envisioned—and one to which this government has by now been irrevocably committed—has to do with a reorientation in the nation's approach to economic development. Such a reorientation involves two elements. The first characteristic of the new approach is the integrated framework within which national economic

planning and action is to be pursued. In the past, the country was a continuous prey to the conflicting policies and decisions of the various governmental sectors. Today, the Five-Year Program constitutes the master plan against which all governmental decisions affecting the economy are measured.

The second element of the changed approach to growth, a development that we have emphasized time and again because of its importance, is the emphasis on private initiative as the primary movant in economic growth. We all are intimate with the manifestations of such a shift in concept. The decision to decontrol; the removal of the strictures on international financial transactions and export activities; the restoration of freedom in the choice of enterprise, with the government merely persuading, rather than controlling, the directions of private investments; the withdrawal as far as practicable, of governmental intervention in business decisions and operations, are today's pervasive economic realities and we need not dwell too long on the fact that they exist.

A second basic reform contemplated under the economic program has to do with the substance of our laws affecting the fabric of our financial system, our scheme of tariffs and taxes, our system of landholding, foreign investments, commerce, mining and industry. Many of the desired reforms in this area were included in the legislative program presented to Congress during the last session. Among other objectives, the set of economic bills that we advocated had been designed to restructure old laws or introduce new ones in order to improve government finances; remove investment bottlenecks; increase the mobility of foreign and domestic capital specially as they referred to priority ventures; increase the effectiveness of financial institutions, both public and private; redistribute the burden of taxation in a more equitable manner, specially among those who stand to benefit most from our development efforts; encourage the growth of basic manufactures and extractive industries; protect the investing and depositing public to promote savings and investments; and secure a just and workable system of land redistribution both as a resolute forward step in our continuing search for social justice and as a preparatory measure for a profound shift of emphasis to industrialization.

In a nutshell, the legislative measures were conceived and proposed to effect those changes in our substantive laws that alone could make possible the attainment of the socio-economic targets outlined under the Five-Year Program. The fate of many of our economic legislative proposals are quite well known to you and should serve as food for thought on the wisdom, even necessity—if any single administration is expected to carry out any program of action—of placing both the executive and the legislative departments under a common direction and responsibility.

In this connection, it is timely that the Nation is starting an electoral campaign which constitutes the periodic ritual in which the nation's goals are reviewed, the qualities of our leaders are reassessed and the national virtues are refreshed in our democracy. It is our hope that in these elections, our sovereign people will accord to us the normal working conditions in a democracy under which all presidents before us from President Quezon to President Garcia worked, namely, that the president should work out his program with his party having the majority in both chambers of Congress.

As this is not a political gathering, I will only say this: That in this campaign, the goal of the opposition is to make the air foul with the stench of the corruption that they allowed to fester in their administration, in other words, to continue the degradation with which they compounded the hardships of our people. On our part, we shall strive to continue clearing the air of the stench of graft and selfishness so that in the invigorating climate of free enterprise operating in integrity, we can promote economic and social progress in which every Filipino and the Nation itself may rise with a new dignity, enjoying a good life derived not from graft and mischief but from honest toil.

Corollary to the change in the approach to economic development and the change in the fabric of our economic laws, we have commenced the extensive overhaul in the structure and orientation of offices under the Executive Department in order to improve the administrative machinery for economic decision-making. Since we took over the stewardship of this government, all executive decisions affecting the economy have been directed towards securing maximum integration among government offices in the formulation and implementation of consistent economic plans and monetary and fiscal policies. Among the concrete manifestations of this objective we may point out, among others, our decisions (a) to set up a Presidential economic staff designed to operate as an economic clearing house and to ensure that specialized departmental plans and programs fit into the pattern set by the Five-Year Program; (b) to define more clearly the specific responsibilities of each public agency and corporation within the framework of the master economic blueprint; (c) to adhere to the practice of programming public works and

developmental services funds in accordance with socio-economic rather than political priorities; and (d) to integrate the investment policies and operations of government financial institutions to support priority industries through the creation of an inter-institutional Loans and Investment Council.

One of the most far-reaching changes envisioned under the Program—one that is of special significance to tonight's audience—is the concerted move for the reform of the Philippine financial system.

Finance, as we are all aware, constitutes the medium by which we secure control and possession over the nation's real resources. Labor, materials, capital equipment, foreign exchange, managerial and technical talent—in short, all the factors of production are moved and directed by those who control the movement and direction of money. If we are to achieve our envisioned investment and industrialization targets, the defects and weaknesses presently existing in our monetary financial programs must be removed or remedied.

We have already commenced and intend to pursue with all vigor such a program of financial reform. Our efforts in this regard will cover three categories:

The first type of reform will entail decisions for the reorganization of the nation's existing financial set-up to eliminate bottlenecks in capital formation and production arising either from the lack of financial resources or the inaccessibility of such limited resources as are available to socially feasible enterprises. It was for this purpose that we have moved for a drastic increase in both the authorized capital and borrowing capacity of DBP. Towards the same end, we have also tried, through the medium of inter-agency arrangements, to achieve a more selective and rigorous budgeting of funds within the control of SSS, GSIS, DBP, PNB and other government financial institutions. We have likewise precipitated the common formulation of investment policies and criteria by the financial entities mentioned and encouraged them to place increased reliance on high-grade project evaluation studies, rather than on collaterals alone, as a basis for extending assistance to private industry.

The second reform in our financial set-up covers changes designed to facilitate the entry of foreign capital. This objective, one on which we have spoken recently, we are trying to achieve through (a) the passage of a foreign investments act under which foreign capital will be welcomed and protected, (b) the expansion of the government's foreign borrowing authority for capital investment purposes, and (c) the removal of provisions in our tax and banking laws that act as undue deterrents to the entry of foreign capital.

The third type of financial reform we are pursuing is aimed at developing new types of financial institutions, instruments and procedures to meet the gaps or remedy the weaknesses in the financial system that deter public saving's and the channeling of such savings to priority ventures. As is true with all underdeveloped countries, the lack of long-term investment capital constitutes one of the most pervasive characteristics of our economy. To compound this paucity in investible funds, the Philippine financial system has lagged miserably in the past in precipitating the development of new and technically advanced financial institutions structured to make the long-term accommodations necessary to accelerate capital formation.

This administration has moved decidedly to remedy this particular gap in the institutional framework of our financial system. Immediately upon our assumption of office, we crystallized and accelerated, through instituted government support, the establishment of the Private Development Corporation of the Philippines, a firm which though designed to be privately owned and managed, was yet intended to assist in achieving the investment targets mapped out for the private sector by the Five-Year Program. It is common public knowledge that the PDCP's ample starting resources of P110 million is the direct result of the assistance extended by the U.S. Agency for International Development and the World Bank through the representation and assurances extended by the Philippine government.

We need not emphasize of course that PNB's investment subsidiary, the National Investment and Development Corporation, whose formal entry into the Philippine financial world we inaugurate tonight, constitutes the second major step taken under the leadership of this administration in order to expand the member of long-term lending institutions in the country. The advent of the two agencies, the PDCP and the NIDC, in tandem with our other efforts

to restructure and strengthen such financial institutions as the DBP, SSS and GSIS will definitely have an impact on the scale and tempo of our investment and industrialization program on all levels.

There are changes indicated in our economic program of course, other than those we have cited here. The Philippine economy is so complex, its problems so widespread and inter-related, that any steps to remake a specific area must necessarily produce their repercussions in several others. Among a host of others, our investment patterns, our commercial and industrial policies and our foreign exchange program must all understandably undergo revisions in varying degrees in order to fit their outlines into the changed character of our monetary financial and public administration programs and, consequently align them with our master guide of economic growth that is the Five-Year Program.

But beyond mere changes in the structure and orientation of the economy, our total scheme for growth envisions that corresponding reforms must have to be made in non-economic areas as well. It is in this light that we have advocated and we have labored not only for economic reforms but also for a rebirth in the conscience and moral values of our people. In a democracy where the continuing strength of institutions—social, political and economic—is premised on the continuing virtue and self-discipline of the people in whom resides the sovereign will, social and moral advance will at all times precede or at least develop abreast of economic progress. In its truest sense, our economy cannot be transformed except where the people themselves—together with their scale of values and motivations—undergo a transformation.

As our nation's moral fibre is a function of economic growth, so is the character of our national leadership an ingredient of national progress. Everyday of the last eighteen months that we have been in office, we have become increasingly convinced that before we can reform the economy and before we can transform our people, we must first of all achieve a change in the character and orientation of our national leadership—not a change in the character and orientation of one man alone—but of the nation's leadership as a whole. History has demonstrated with implacable clarity over the ages that free societies can be moved to great deeds only where the needed type of leadership can be given them. To rally and to weld this nation into a vital and potent force for socio-economic change, to marshal this country's spiritual and material resources in support of common objectives, to meet and overcome by democratic means the fierce opposition of those whose political and economic empires are threatened by progress—these are objectives that can be attained only if the nation can be offered a leadership that is neither self-seeking nor weak nor directionless, but strong and possessed of that vision, that integrity and political willpower by which free peoples are governed and guided to greatness.

These then are the changes, the reforms, the transformations—in the economy, our people, in the character of our national leadership—by which we shall be able to achieve our ultimate national goal of securing a better life for our people. They are changes for which we shall have to labor long and hard and painfully. The layers of despair and apathy, ignorance and poverty that have gathered over the centuries do not dissolve at the sound of pious words and noble behests. Traditions, no matter how wrong or anachronistic, die hard. And the *status quo*, no matter how distorted or ubiquitous, always gathered around itself its own set of adherents who are willing to fight for the preservation of a social, legal and economic framework in which they are the mighty and the privileged.

This nation cannot afford to perpetuate much longer those defects in the economy and the government, those weaknesses in our people's moral make-up and this nation's leadership, which operate to frustrate and to block the attainment of our people's fairest hopes for the future. Whatever the cost to us—whatever the sacrifices, the labors, the level of resolution that will be asked of us—we shall continue to strive for those changes that we have indicated as essential to the fruition of our socio-economic aims.

With the blessings of a merciful God, with the support of all those who believe in the nobility of the cause that we espouse, I have the fullest faith that we shall be able to attain, to the fullest measure, those social and economic transformations upon which all our schemes for national progress must ultimately rest and endure.

Source: **Presidential Museum and Library**

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NATIONAL GOVERNMENT PORTAL – EDITED AT THE OFFICE OF THE PRESIDENT OF THE PHILIPPINES UNDER COMMONWEALTH ACT NO. 638

Address of President Macapagal at the opening ceremonies of the Summit Conference

**Address
of
His Excellency Diosdado Macapagal
President of the Philippines
At the opening ceremonies of the Summit Conference, Manila**

[Delivered on July 30, 1963]

**TOWARDS
COMMON DESTINY**

A

IN THE NAME of the people and government of the Philippines, I would like to extend to you, Mr. President and Mr. Prime Minister, an exceptionally warm welcome. We embrace you as brothers and ask you to feel at home in this land which was part of the ancient homeland of our Malay forefathers.

I would also like to welcome the distinguished guests to these opening ceremonies of the Manila Summit.

President Sukarno and Tunku Abdul Rahman have asked me to make the only speech at this opening. They assured me that a more auspicious atmosphere would result from this procedure. They were good enough to add that since they have been doing most of the talking up to now, it is only fair to yield the floor to me this afternoon.

I hope this is a sign that by letting me speak for all three of us at this opening, we shall, by the time we hold the closing ceremonies on Saturday, be able to speak with one voice, for one purpose, one objective, one aspiration, namely, peace and unity among the Malay peoples.

This is a historic occasion in the truest sense of the phrase. It is the first time in history that the leaders of the three nations of Malay origin in Southeast Asia have come together to consider and consult about their common problems. They have come as heads of government, as leaders of sovereign states. Behind that simple fact lies a great deal of history; the history of colonialism in this part of the world; the history of Asia's long struggle for independence waged through national revolutions; the ending of an age marked by inequality between nations and the exploitation and tutelage of peoples, and the dawn of a new era of freedom based on justice, equity and the rule of law.

My sense of the historic significance of this occasion is heightened by the presence here of President Sukarno of Indonesia. Bung Karno, as his people affectionately call him, is one of the great men of Asia and a leader of world stature. His lifetime of service to his country spans the period of their revolutionary struggle for independence, their struggle for national unity against attempts to divide and dismember Indonesia, their struggle for the recovery of their national territory and the rediscovery of their national identity. He is the architect of today's Indonesia; a nation firmly united, 100,000,000 strong, inhabiting a vast and fertile territory, with all the natural resources and the human attributes required to make Indonesia a great power in Asia.

To have a fair idea of Bung Karno's position in Indonesian history, we have to think in some ways of our own Jose Rizal, who inspired our national revolution, of Bonifacio and Aguinaldo who led the actual struggle for independence, of Mabini, the philosopher and "Brains of the Revolution," and Magsaysay who confronted and mastered the end of the Hukbalahap insurgency. President Sukarno is all these to the Indonesian people.

He is also one of the chief architects of Asian-African solidarity, which found its noblest expression in the Bandung Conference of 1955. His role in the still unfinished struggle against colonialism cannot yet be fully assessed, but future historians are bound to find it a very large one. His statesmanship, his vision and his awareness and judgment of historical forces have been instrumental in enabling us to advance this far in forging the beginnings of a new sense of unity and common purpose among the nations of Malay origin in this part of the world.

To have freed a nation that is the fifth largest in the world, more populous than Africa below the Sahara, is an achievement that entitles Bung Karno to a distinguished place among the great liberators of mankind. But a new dimension of greatness yet awaits him. The maintenance of peace and security in our part of the world, the economic and social progress of our peoples, and their increasing-sense of understanding, cooperation and common destiny will depend in large measure upon the statesmanship of this great leader of the 100 million who love and support him.

With the candor that is expected of brothers, of Tunku Abdul Rahman I say that he is also a great leader who is of different mould and temper. His country, Malaya, is a promontory that juts out of the Asian continent into a most strategic portion of the chain of archipelagos dotting the littoral of the Western Pacific. It is a rich peninsula sitting astride the vital sea lane between the Pacific Ocean and the Indian Ocean, and its narrow isthmus is the land bridge between the continent and the glittering array of islands which have been the home of the Malay peoples from time in memorial.

The people of Malaya have won their freedom from colonial rule essentially by peaceful means. Without waging the long and bitter struggles against colonial rule that have been the lot of Indonesia and the Philippines, and without suffering from the lingering aftermath of those struggles, Malaya has forged a national identity and unity wholly unlike the pattern of fragmentation imposed upon other countries in Asia and other parts of the world.

Because Malaya also has abundant natural resources and a smaller population, and because it has been relatively immune from the penalties of the anti-colonial struggle, it enjoys a degree of prosperity and well-being rarely met in newly independent countries. Malaya has also solved the questions of inter-racial harmony and cooperation in a manner that could serve as an object lesson to a world that is sorely harassed by this most explosive of human problems. These have come about under the leadership of the Tunku from whom we have reason to expect the continued progress of Malaya which shall promote the overall well-being of this region.

Malaya is the smallest and the latest of the three States of Malay origin to come into its own. It has had a life sheltered for the most part from the harsh realities of colonial rule. But the significant and costly struggle which it waged against political subversion and military insurrection before attaining independence only serves to confirm the familiar saying that true and lasting freedom is never granted to a people; it must be won by them through work, sacrifice and struggle.

To my mind, Tunku Abdul Rahman, by coming to this conference, has thereby proclaimed anew his conviction that the enduring peace, stability and well-being of the peoples of Southeast Asia can best be insured by the close cooperation of the peoples themselves as they seek to tailor their own future according to the shape of their own best and highest interests. His presence here today provides the comforting assurance that he will remain at our side as we face the task of reconstructing on sounder and stronger foundations the common life and destiny of our peoples.

There is yet another aspect of this occasion that lends to it a historic character. I refer to the remarkable coincidence of our three countries entering a new stage in their respective developments at a time when a similar change is occurring in our region and in the world as a whole.

The ending of the insurgency within Indonesia has restored its national unity. The recovery of West Irian has completed the integration of Indonesian national territory within the Republic. With these two major tasks accomplished, Indonesia is now in a position to address itself to the attainment of a third great objective: the development of a prosperous society in a regime of freedom and social justice.

Malaya has likewise dealt successfully with internal threats to its national unity and survival. It has established a working democracy dedicated to social justice for all of its people. It is now on the point of embarking on a new federation called Malaysia.

Here in the Philippines, we are engaged in vigorously carrying on what I have described as our "Unfinished Revolution." Three of its major aspects are particularly relevant to this occasion. The first is our program of economic and social development aimed at strengthening the basis of our democracy and enriching the lives of all our people. The second is the rediscovery of our own Philippine identity through the enlightened revival of the cultural values that have moulded our nation. The third is a deliberate reorientation of our foreign policy towards our Asian homeland.

If we are able today to exercise the initiatives and play the constructive role we are playing in international affairs, it is because the shape and the substance of our freedom have been rendered more meaningful. The Philippines has embarked upon a new stage in its development as an independent nation. Our neighbors sense and recognize this welcome change, and the best proof of it is that they are here with us, working with us in brotherly solidarity towards the attainment of our common aspiration of a free, secure and prosperous community of sovereign nations in Southeast Asia.

On the regional level, we are in the last stages of the liquidation in Southeast Asia of the remaining pockets of the "classic" type of colonialism. This has given rise to the opportunity for the independent countries in this area to begin to assume their rightful share of responsibility for the security and stability of this part of the world. It is the opportunity, or as some would prefer to call it, the challenge, that has brought Indonesia, Malaya and the Philippines together in the series of meetings and consultations of which the present Conference is the culmination.

The task confronting us is admittedly difficult. But we have the advantage of undertaking it at a favorable juncture in international affairs. Our efforts coincide with the agreement banning nuclear tests, a development which may herald the beginning of what could become a viable co-existence in place of the cold war among the Great Powers. This development provides a more hospitable political climate for regional efforts towards security and stability such as those we propose to undertake within Maphilindo.

Will this conference be a success? Our reply is that, by taking place at all, it has already achieved a measure of success.

The credit for this conference, which is an important milestone in the history of Southeast Asia, belongs to no one in particular. It is the result of developments that have been going on for a long time, the fruit of the interacting influence of race, geography and politics. The logic of history has produced it, and the leaders of Malaya, Indonesia and the Philippines, by agreeing to come together at this Summit, have served merely as the faithful servants of history and the instruments of its ineluctable purpose. Its final success will be a monument to the vision and genius of the Malay peoples.

I have referred to Malaysia and Maphilindo. Though I have mentioned these two words rather casually, this should give no one cause to think that we shall avoid these as though they were forbidden topics. Malaysia and Maphilindo represent, respectively, the short-term and the long-term implications of the problems that confront us. We shall discuss them freely, frankly and fully, in the manner of brothers and neighbors, and in this spirit we shall endeavor to solve the deeper issues of which these are the outward manifestations.

The world watches our meeting with extraordinary interest. This is in recognition of the fact that our very act in meeting to resolve by ourselves our vital common problems has historic significance to the future of our area. If, in addition to this historic nature of this meeting, we actually succeed in resolving these problems, then we shall have contributed in a constructive way to the future not only of our area but of the world as well. Beyond this, we shall have demonstrated for the world to witness and for history to record that the Malay nations individually and together are a factor to reckon with in shaping the destiny of mankind.

My friends: we ask your prayers in order that our hopes may come to pass.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila :
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**NATIONAL GOVERNMENT PORTAL – EDITED AT THE OFFICE OF THE PRESIDENT OF THE
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Address of President Macapagal on Philippine Constabulary Day

**Address
of
His Excellency Diosdado Macapagal
President of the Philippines
On Philippine Constabulary Day**

[Delivered on August 8, 1963]

PC—A MOLAR ARMOR

IT IS with pride in celebrating the 62nd anniversary of the founding of our great organization, the Philippine Constabulary. I recall that when I was with you on an occasion like this last year, I was even then looking eagerly forward to being again with you in warm comradeship. I said then that I would not stop working for the welfare and upliftment of my dear comrades-in-arms in khaki and red, and I am happy to tell you now that I have never ceased doing so and I shall never cease to do so.

As you all know I have signed into law the bill raising the pay of officers of the armed forces and that improving the lot of the enlisted men in regard to longevity pay. I have also approved other pieces of legislation affecting the welfare of our men in uniform including one which would place by your side, in the interest of efficiency and morale, women in uniform who aim to prove that the fighting spirit and patriotism of Gabriela Silang and Tandang Sora is not yet dead and will never die. This is a positive step towards the modernization of our armed forces for there is no modern army in the world today that does not recognize the role that women play in national defense.

We hope to find that the women constables will prove their worth not merely in office work but as well in missions related to peace and order as the custody of women detainees and the supervision and guidance of juvenile delinquents. It may also be expected that many of these women in khaki and red will develop a proficiency in crime detection in roles which men could not naturally perform. So, with the addition of the WACs to the constabulary and the creation of a versatile PC battalion combat team, together with such progress as the organization has made along the road of moral regeneration, we find the Philippine Constabulary considerably strengthened. This we are proud to report to our people on the 62nd organization day of this noble throng of fighting men and women.

We are stepping, therefore, into another year of service to our people which may even be more difficult than the past. But whatever may be the magnitude of the challenge of the future which we are facing together, as long as we are bound by the warm camaraderie and the noble traditions of this organization, as long as we are determined to enforce the law without fear or favor, and as long as we stick to moral principles, we cannot fail. We intend to meet here again next year to see how far we have gone ahead together in our common task of upholding the rule of law and morality.

The Philippine Constabulary, indeed, has gone a long way since that day on August 8, 1901, when it was organized by Brig. Gen. Henry T. Allen and led by some 68 officers. Since the days of Brig. Gen. Rafael Crame, whose memory this camp seeks to perpetuate, Filipino commanders have proved their worth in leading such a nationwide police organization.

The 62nd-year history of the Constabulary is replete with deeds of heroism in the fight against banditry, subversion, and other crimes. There was the fight against the *Pulajanes* in Samar in the first five years of the PC. There was the Mindanao campaign which had displayed the gallantry of constables in hand-to-hand fighting. It was here that General Paulino Santos won distinction in combat leadership.

The PC also saw glorious action in Luzon in the 20's and early 30's. The constables battled the fanatic colorums in Pangasinan. Among the fighting officers of that campaign was General Castañeda. There was the fighting against the *Sakdalistas* and the Asedillo gang in Laguna where Generals Balao and Vargas distinguished themselves.

Even when war came over our beloved country, the Constabulary led by General Francisco was the first to join the USAFFE and the unit's deeds of valor in Bataan are now history.

In the fight against communist dissidence the PC also had written a saga of blood and valor in Central Luzon and the Visayas. Many of those who took part in that grim task of upholding the sovereignty of our Republic against an insidious ideology that seeks to dominate mankind are still among us today. To these combat veterans, the new blood that has joined the organization should seek guidance and inspiration for the job that is ahead. We aim today to fight crime in whatever form it may present itself, for it is our bounden duty to ensure peace and order so that our socio-economic program for the progress of our country and the upliftment of our common people may go unhampered.

While we face the challenge of the future, we need as ever the armor of virtue. This is the armor that has been handed over to us by our fallen and retired comrades-in-arms in 62 years of selfless devotion to duty. This is the armor which a past corrupt administration has schemed to tarnish and which today we are together shining anew with the spirit of moral regeneration. With this armor, we cannot fail. Not all the diabolical mudslinging in the world, not all the corrupt intent of any Stonehills and Peter Lims that some may wish to have back or to create in the future, not all the attempts of venal politicians to subvert this gallant institution, not all the diabolical schemings of the evil-minded, can prevail against the moral armor that is the PC. The rule of law and justice must be supreme and to uphold that rule we are, one and all, pledged to lay down our lives, if need be. Our comrades-in-arms in the 62 years of glorious history of the PC have done that willingly and gladly. We intend to do no less.

I am elated, therefore, over the fact that you have chosen as the theme of our celebration today, dedication to duty with moral regeneration. Now, I find that you and your Commander-in-Chief speak the same language.

We are one in thought and thus may confide to one another on the means whereby we may make this theme more meaningful.

Let us start from the agreed premise that the PC is an organization of men of action as contradistinguished from men who claim that they can serve our country with words. If that is so, then our adherence to the principle of moral regeneration should be one of deeds and not of empty words, words and more words.

The glorious history of the PC proves this point. Capt Julian Olivas, for instance, is a hero not because of anything he said but because of the deed of supreme sacrifice he performed in the line of duty. The long and noble list of heroes in khaki and red from 1901 to 1963, down to Lt. Bonilla who died in an anti-smuggling mission, illustrates the PC tradition of morality demonstrated by deeds, not by words.

We should all be proud of these Constabulary heroes. I would like to see the day when some thoughtful people in the organization would compile the biographies of these heroes because we would then have some reading material useful for the moral upliftment and inspiration not only of our personnel but also of the rest of our people. It might also be sensible for you to start a hall of fame where pictures or busts of PC heroes are displayed. The HPC lobby or the officers' club might be a good site for this laudable project. But above all, our hearts and our minds should be the best shrine of enduring honor and devotion to our constabulary heroes who, in spirit, are here with us today to behold our organization and, perhaps, to see how far we have kept faith with the ideals for which they have rendered the supreme measure of devotion. I want all of you to start studying the lives of these valiant comrades-in-arms of ours and labor with determination to emulate their glorious deeds. Our troop information people should well be capable of compiling materials for this purpose.

The example of our constabulary heroes should be one beaconlight for us in our advance along the road of moral regeneration. Another is leadership because, more than ever before, we need leaders with moral courage in the PC. It

is not enough that leaders should be able to lecture on honesty and integrity. I would rather have it that the lecturing be dispensed with and the leaders teach their men by force of example.

Let the leaders of this organization be aware of the fact that there is practically nothing in what they do that will not be known eventually by their subordinates. And while there may be secrecy discipline in the organization and its military secrets can be kept under the hats of these subordinates, the private secrets of the brasshats eventually find their way to the community. The slightest suspicion that our people have against the honesty and integrity of the leaders of this organization will bring the entire Constabulary into disrepute. All of us, therefore, must strive to remove that cloud and restore the reputation of this organization which has been conceived as a byword of honesty and integrity. You all know that the smallest black spot could be discerned in an object we want to be entirely clean. It is therefore our duty to keep the Constabulary escutcheon immaculately clean and unspotted, whether by black spots or blue seals, or any other unwanted smudges. Let us have good leaders and dependable followers and the situation will be well in hand. Our old folks have an appropriate saying on this subject; they say “Ang ibinubuti ng nasasakupan ay nasa may hawak ng kapangyarihan.”

Now, while we are on the road of moral regeneration we should not tolerate the presence in our midst of any of our brothers with other ideas that militate against our worthy objective. If anyone cannot keep in step, let him fall out of our ranks. If anybody here has any doubt or reluctance about our efforts towards moral regeneration, for goodness sake, let him get out of the service.

Since the day we celebrated PC Day last year, I was aware of the fact, which I appreciate very much, that there has been started a cleaning up process in this organization. You call it here the weeding out of misfits. I want this job to be a continuing operation because it is as important as fighting the enemy in the battlefield, for the enemy within is even more dangerous than those without. I want to tell you how distressed I am whenever I hear of any verified derogatory report against any member of this organization. It is because I love it so well and because I am profoundly proud to be your Commander-in-Chief. You know very well that I feel so deeply attached to you and that I have been trying my level best to work for your welfare. I like to think that the feeling is mutual and that you will keep our Constabulary family on a moral level that would be the pride and admiration of our people.

Under our rule of law, the dishonest and the unfit will have all the chances to avail themselves of prescribed procedures and even the benefits of trial by civil courts. But let the indomitable axe of justice—which you see on your shoulder patches—cut those who believe in the contrary doctrine of moral degeneration out of any link with the organization whose reputation and efficiency we desire to preserve.

If there are any people in khaki and red who deserve to go to jail, let them all go to jail. I don't want to hear the legal people of this organization to say they are short-handed in prosecuting the black sheep of the family. There are many lawyers in our reserve force. If we need all of them to do the job we can call them in. I would consider the money spent to call in additional probers and prosecutors well-spent because no amount of money in the world could equal the value of the good name of the Philippine Constabulary.

I trust, my fellow constables, that you will live by the theme of moral regeneration you have thoughtfully set in this year's PC Day to achieve. This citadel of peace and order whose ramparts you man should be no less than a shrine of honor and virtue which is symbolized by the knight on your shoulder patch. This citadel should stand out like a haven of hope for our people at a time when demagogues are out to misguide them with their own warped ideas of vote-snaring morality, of out-and-out hypocrisy, of feigned indignation at being confronted by their link to corruption. This demagoguery has its roots in the mire of selfishness. There is no place for selfishness in the dictionary of a true constabularyman whose life is one of selfishness and love of country. Truly has Dr. Rizal said that cowardice begins in selfishness and ends in shame. You all know that there is no room for cowardice in the family of the khaki and red.

I must tell you that the task of moral regeneration is not an easy one. There is the physical law which says that for every action there is an equal and opposite reaction. Already, you may have noticed that in the Administration's efforts to sweep corruption away from our country there is already a scheming reactionary force which seeks to destroy what we have begun to achieve. Corrupt elements are moving to creep back into power and again bring

about a reign of greed over our people. You know that corruption in the past had deceit, fabrication, and forgery as its instruments of filthy gain. You will find that the reactionary elements are brandishing the same weapons anew. Beware of them and let them not drag this organization into mire and muck. Keep up your good work and your armor of virtue will keep you clean of their clutches. Remember this saying in Pilipino:

*Sambunton mang lason sa iyo'y isiping,
Di ka mamamatay hung di mo kakanin.*

With these reactionaries and agents of corruption persisting to be active in our midst, abetted by their witting or unwitting tools, indeed we can say that these are times that try our souls. With the noble traditions of our organization deep in our hearts, with the inspiring example of our Constabulary heroes ever before us, with the determination, to lead our people along the path of moral regeneration, and with unshakeable faith in Almighty God whose protecting hand is ever with the good, we of the Philippine Constabulary cannot fail. We have plenty of fighting days ahead in the struggle for a better life for our people, but true to the constabulary tradition, the nation can rest assured that we will never be outfought in upholding the honor and glory of the PC and in serving the highest interests of our people.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal at the signing of the Agricultural Land Reform Code

Address
of
His Excellency Diosdado Macapagal
President of the Philippines
At the Signing of the Agricultural Land Reform Code

[Delivered on August 8, 1963]

AN ACT OF EMANCIPATION

WE ARE GATHERED here to witness a very simple act. The act itself will take no more than a few seconds, no more than a brief moment to affix a simple signature on the last page of a printed document. It will take no more than a few quick strokes of the hand. Yet in this brief moment are packed many centuries. This unspectacular act of signing a piece of paper will bring to an end a long and at times bitter past of economic and human slavery which we now make bold to abolish, and it will launch a new and better future for those languishing in poverty from this bondage which we now make bold to build.

There have been times in human history when a short signature by a mortal hand could build or demolish empires, or send nations at war with one another. Today, a signature by a humble hand obedient to a million silent aspirations will give the toiling Filipino farmer his liberation from poverty and social degradation. Thus, we are gathered here not merely to observe a transitory ceremony; we are engaged in the formidable act of re-making history. We are presiding over the dismantlement of an institution that has plagued our land for longer than four and a half centuries. We are celebrating the initial step that will burst us under the forces and the institutions that have kept our tenants in silent bondage over a period of time that extends to long before the Spaniards came to our shores. We are returning to our toiling farmer the freedom that is his by God's grace, the dignity and security that come with the possession of his own land, and the natural right to enjoy the rewards of his own labors. We are launching the boldest program of land reform ever attempted in our country which shall bring redemption to the economic slaves tilling our farms.

In a few minutes, we shall sign an enactment of Congress proposed by us into law. But we are signing more than an ordinary code. We are signing a veritable proclamation of independence, a declaration of faith, a declaration of determination. By this we proclaim the independence of the shackled Filipino farmer, declare our faith in his ability to fulfill the responsibility that comes with his newlywon freedom, and declare our determination to assist him effectively in rising to the proud status of an owner of his land and the equal in human dignity of any other citizen of the land.

This occasion is the culmination of more than four hundred and fifty years of history of tenancy in the Philippines. It was mostly a melancholy history; at times, it was a turbulent history. It was a continuous history of share-cropping and debt-peonage that bore down on the shoulders of the tenant, whether it be the *mamamahay* of pre-Hispanic times or the *kasamahan* farmer who emerged in the eighteenth century or the share tenant of the twentieth century. Some of the old Spanish governors-general tried to alleviate the plight of the *mamamahay*, but their attempts took the form of laws that were not honored in practice. In the eighteenth century Jose Basco y Vargas made another attempt at liberating the tenant from his servitude by prohibiting practice of *kasamahan*, except in the case of landlords who had some legitimate reasons for absenteeism; such as, sickness or old age.

All through the American occupation of the Philippines and all through the Commonwealth period the problem of the tenant was a profound concern. Some advocates of reform sought the way of violent uprisings, strikes, or similar massive actions by tenants against landlords: Benigno Ramos led his Sakdals, and Pedro Abad Santos, his Socialists. Others, resorting to the methods of law, pushed the passage of measures to improve the lot of the tenants by increasing his share of the crop or by giving him tenure or by resettling him on friar or public lands. President Manuel Quezon announced and tried to pursue a program of social justice in an effort to pioneer in land reform.

In 1946, after the war and after the transfer of political sovereignty back to the Philippines, another tenancy law, Republic Act 34, was passed. Again it regulated sharing arrangements, protected the tenant from undue eviction, and defined the rights and obligations of tenants and landlords within a system of share-tenancy.

Still another attempt at land reform, and the boldest one before this new law, was taken by President Ramon Magsaysay. Under his administration Congress passed Republic Act 1400 in 1955. It was salutary in its intentions, but—in spite of its ambition—it suffered from the weaknesses of its predecessors: it attacked the tenancy system on the surface, not at the roots. The evidence of the failure of past intentions are all around us. Today we have more share-tenants than ever before. The trend is firmly established and shows no signs of levelling off, unless fundamental measures are implemented. Even in resettlement projects which have for their entire objective the establishment of farmer-operators tilling their own farms, the corrosive forces of share-tenancy have penetrated and are spreading rapidly.

This trend cannot be stopped except by bold and forthright action. We cannot cure a grave disease by simple palliatives. We cannot remove a growing social tumor by treating its surface. We can remove it only by a quick surgery. The failure of past attempts at land reform was always a failure of determination: they tried to alleviate the pains, the evils, the injustices of the share-tenancy system, rather than resolutely attacking the system itself. The result is that while some of the edges of the problem have been treated with some success, the disease remains as formidable and as threatening as ever.

It is thus not enough to deal with the bits and pieces of the problem. It is not sufficient simply to enlarge the tenant's share of the crop, or to give him stability of tenure, or to outlaw usury, or to provide alternative sources of credit, for the basic disorder remains. All the problems that plague the share-tenant—the death of his initiative, his vulnerability to usury, his weak bargaining position before the landlord and trader, his poverty—all these have one root cause, namely, the very institution of share of share-tenancy itself. This is the very disease that must be removed, decisively and with determination.

Today, with a few strokes of the pen, we shall perform the initial step in this surgery. This document before us, a bill which in a few minutes will become a statute to be known as the Agricultural Land Reform Code, will provide us with the legal powers to remove once and for all the system of share-tenancy that has plagued our agricultural countryside. In one statement it declares share tenancy as violative of the law of the land, a system which will be abolished and will no longer be tolerated by law. But the Code does not only provide us with the powers to remove an organic disease from our agricultural society; it also provides the means of injecting new health, new vigor, new muscles, and new strength into the new social order that will arise. Its first and immediate step is to destroy an oppressive and intolerable system; its ensuing objectives—which will constitute the sinews of land reform—is to nurse our agricultural economy into a state of healthy productivity. It not only aims to turn the Filipino tenant into a free man; it aims, most of all, to turn him into a more productive farmer.

Thus, after centuries of silent struggle and angry protests, the Filipino tenant finds in this movement his victory, finds in this pen a powerful scythe with which to harvest the fruits of a proud and productive future, finds in this gathering the jubilant witnesses of his triumph, finds on this stage a rampart from which to view the wide and spacious fields in the country which shall be his to till, to work, to cultivate, and to love as his own. This moment is only an initial triumph in that the law has torn down his prison. His task from hereon is to build: to build his own technical capabilities, to cultivate his farm efficiently and scientifically; his abilities to finance his operations in an orderly manner, his ability to market his produce effectively, and to invest the savings out of his increased incomes in the further improvement of his own farm. Most of all, his task is to change himself, his outlook, his spirit, his attitude towards work. Under the law he will cease to be a tenant; during a transitional period he will function as a leaseholder; and after a few years he will be a landowner. We call upon him to abandon his outlook as a tenant, and take on the vision of a new landowner.

In this transition the Filipino farmer will need help. As a transitional leaseholder and as an eventual landowner he will need manifold assistance, including technical, marketing, financial, and legal. The Land Reform Code provides the government with the resources and the machinery with which to give him all the help and support he needs. Among these are the Agricultural Productivity Commission which will extend to him technical assistance, the Agricultural Credit Administration which will give him operational financing and marketing assistance, the office of

Agrarian Counsel which will provide him legal assistance, the Land Authority which will assist him to become the owner of the land he tills, and the Land Bank which will assist him to pay for the land that has become his own.

Under the Land Reform Program, the farmer will therefore have behind him a formidable battery of government agencies to insure that his transformation from a tenant into a lessee and eventually into a landowner will result in increased production from our farms, in increased incomes for our farmers, in better management of the farmer's financial affairs, and—most of all—in the enhancement of the dignity and the social position of those who now live under the burden of tenancy. Realizing that the implementation of the program is the crux to the realization of its noble objectives, we pledge all our power, all our fervor, and all our faculties to warrant the efficient operation of all these agencies in order to insure the rise of the poverty-enslaved tenant into a free and prosperous farmer.

The machinery for carrying out the Land Reform Program will soon be in full operation. We shall see that the implementation of the program thereby will not be haphazard but systematic; will not be hasty but orderly; will not be reckless but resolute. It will be pursued in manageable stages, rather than as a breathless and one-shot effort that will sweep the nation overnight. It will be managed prudently and well, with all due respect to the rights of all parties concerned.

In abolishing tenancy and launching a decisive and bold land reform program, we confront a huge and monumental task. We dare say that it matches the historic proportions of no other achievement of our nation in the past, save the Philippine Revolution that began in 1896. Indeed, the Land Reform Program is a revolution in itself, part of the peaceful, ambitious, unfinished revolution which we are now waging to win for our people an adequate measure of prosperity and well-being. Land reform is not a separate and isolated program; it is a component, and a very crucial component, of our wide-ranging and integrated program to promote the rapid and sound social and economic development of our country. Land Reform will release the hitherto suppressed productive energies of our farmers, and will thus increase the capacity of our agricultural sector to provide our people with food and our industries with raw materials. Land reform will increase the incomes of our agricultural society, and will thus convert it into a large market for the produce of our industries. Land reform is not solely a program to help tenants; it is a program to uplift the whole nation, socially and economically. It is ultimately a proof and demonstration of the respect which our nation holds for the dignity and the rights which are attached inseparably to the human person.

It is meet to recall at this point that the Filipino has been associated with apathy and resistance to progress. Our national hero, Dr. Jose Rizal, has referred to this seeing trait as the indolence of the Filipino which must be overcome. For centuries, the Filipino tilling our farms seemed indolent because his creative and constructive qualities were overpowered and stifled by a sense of hopelessness as he languished in the dark prison of his unending poverty and misery. Since life was to him hopeless for advancement, his supreme ambition and recourse for human joy was to spend the occasional windfalls from his lengthening debt in order to drown his sorrows in *tuba* and *basi* or in a bet at a cockfight. This sense of hopelessness was a drug that kept him indolent and lukewarm to the charms of progress. Through this land reform program, which releases the tenants from endless darkness to the sunshine of new hopes, we can look forward to the day when the so-called indolent Filipino, after centuries, shall be no more, and in his place will arise a Filipino who shall work hard because he has a better life to work and hope for, who shall actively take part in community work that builds the nation because he has the dignity that makes him the equal of all his countrymen, who shall fight for his rights and do his duties because he has effective freedom for the discharge of this responsibility, and who, in the hour of necessity, will be happy to give even his life for his country because in his country he has land to call his own.

The Filipino farmer has waited century after century for this very moment and this very occasion. In a moment, as the elected President of this Republic, I shall sign the Agricultural Land Reform Code into a law of the land. By this act the nation shall put its indelible seal on this proclamation of the toiling farmer's liberation and his victory.

So let this signing be recorded in our annals as an Act of Emancipation of the toiling farmer from his slavery to debt, poverty, and misery and of his dignification as a human being and as a citizen. By this act of emancipation, a new revolution is on.

In fulfillment of the dream of centuries and in answer to the cry for liberation of the slaved Filipino tenant in our farms from his chains of want and misery, it is now my cherished privilege and infinite honor to sign the Agricultural Land Reform Code into law as Republic Act No. 3844 on this memorable day of the Common Man.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**NATIONAL GOVERNMENT PORTAL – EDITED AT THE OFFICE OF THE PRESIDENT OF THE
PHILIPPINES UNDER COMMONWEALTH ACT NO. 638**

Address of President Macapagal before the Manila Overseas Press Club

**Address
of
His Excellency Diosdado Macapagal
President of the Philippines
Before the Manila Overseas Press Club**

[Delivered on August 21, 1963]

**ABOLITION OF SHARE TENANCY AND MAPHILINDO:
TWO MILESTONES IN PHILIPPINE HISTORY**

I HAVE just come from the provinces where I made eight speeches a day for eight days. My speeches dealt mainly with domestic issues. Tonight I welcome the opportunity as guest of the Manila Overseas Press Club to make just one short non-political speech. We shall have a change of pace as well as a change of subject. I am going to speak to you on a matter concerning foreign affairs.

This alternating emphasis on domestic and foreign affairs corresponds to the two great concerns of government. It calls to mind the two major achievements which best symbolize the inspiration and program of this administration in its first eighteen months in office. In the domain of domestic affairs, we have accomplished the approval of the Land Reform Act which abolishes share tenancy. In the realm of foreign affairs, we have achieved the establishment of Maphilindo.

We are perhaps too close to these two events to assign to them their correct importance in the history of our country and our region. But time will enable us to measure in clearer perspective the overwhelming importance of these two milestones in Philippine history. In the case of the abolition of tenancy, there is no doubt that it will be recognized for generations to come as one of the most significant achievements of any government in the history of the Philippines. This law gives us the tool with which we may at last solve the problem of agrarian injustice that has plagued our country for many centuries. With this reform our benighted rural areas will move at last into the twentieth century. But the abolition of tenancy is only a key, and it will take courage and imagination to use it effectively not only to unlock the chains that have bound our people in poverty and ignorance but also to open the door to new incentives in productivity and abundance.

In this connection I wish to express gratification over the decision of the United States government to set aside \$30 million out of the \$73 million for additional war damage and to make it available for our land reform program. This is significant because it shows that while giving us the benefit of their tutelage in political democracy leading to our independence in 1946, the United States has at the same time continued to provide us assistance in strengthening our democratic system through economic progress and social justice. Our tutelage in democracy covers the political as well as the social and economic fields, and we acclaim the organic wholeness and compass of the benefits derived from the altruistic association between the American people and the Filipino people in whose behalf I express to the American government our abiding gratitude and appreciation.

The establishment of Maphilindo is an event of comparable importance in another field of our national endeavor. Indeed, the two events parallel each other in various ways. The abolition of tenancy will correct the long existing evil of class exploitation in our economic and social life. The establishment of Maphilindo will remove the barriers that have been built artificially to divide the peoples of the Malay race. These two developments, however, accomplish more than the rectification of what is unjust or unnatural. They look forward to something better, something brighter; in the case of the abolition of tenancy, to increased productivity in agriculture and a better life

for our farmers; in the case of Maphilindo, to close fraternal relations between peoples related by race and culture in order that together they may cooperate in charting a brighter future and in building a better society for themselves and their children.

The decision to establish Maphilindo looks backward as well as forward. It looks to the past frustration and shame of the Malay peoples, their fragmented history and incoherent destiny. But it also looks forward to the reunion of brothers after their prolonged and tragic dispersal. It looks forward to the rebirth of a region which an aggressive and adventurous colonialism had long considered as its exclusive preserve but which today is re-emerging as the home of free peoples determined to recover and safeguard their patrimony and to develop it as a haven of peace, abundance, and security.

Maphilindo, however, was not born full-grown like Minerva out of the head of Jupiter. On the contrary, it was a long time developing in the womb of history, waiting only for the conjuncture of the exhaustion of the old imperialism and the emergence of a new imperialism to bring it to birth.

Maphilindo is neither new nor unprecedented. But it is the newest expression of the resurgent energy and genius of the Malay peoples who, aeons ago, came out of southeastern Asia and spread out over the vast oceans and archipelagoes strung between Madagascar in the west to the Pacific islands in the east, and between Japan in the north and Australia in the south.

Maphilindo belongs in the tradition of the empires of Sri-Visaya and Majapahit—but with a difference. Far from being a restoration of those ancient empires that were held together by the rule of compulsive obedience, Maphilindo is a voluntary association of independent and sovereign states held together by their affinities of race and culture as well as by their recognition of common purpose and aspiration. Maphilindo is a union of free peoples dedicated to freedom and the dignity of man.

Maphilindo, of course, has a number of more recent antecedents. Its precursors include the Asian Relations Conference held in New Delhi in 1947, the Bandung Conference of 1955, the entity known as the Asian-African Group in the United Nations, and the Association of Southeast Asia or ASA. Its most proximate predecessor, however, was the Baguio Conference of 1950 which had been called by President Quirino and was attended by representatives of India, Pakistan, Ceylon, Indonesia, Thailand, Australia, and the Philippines.

In his opening speech to the conference, President Quirino said;

“Until the recent past most of us could not chart our own course and had to depend on alien guidance. Our loyalties were divided; we could not develop on our own initiative; we could not determine our growth as separate nations. Now that we are masters of our own destiny, and as we endeavor to pursue our systematic growth and development consistent each with our national genius, we believe that we can complement one another, relying on our common historic origin and traditional sympathy with each other as well as on our geographic propinquity to better promote our common interests by frank mutual consultations.”

These were the wise words of a great leader and statesman whose presidency looms more impressive and outstanding the farther it recedes into history. President Quirino possessed the vision and imagination, but he dreamt before his time and planned far ahead of his contemporaries. Most of the nations of South and Southeast Asia had only recently won their independence and needed time to consolidate their freedom and to put their house in order. Moreover, the western powers did not smile too kindly upon initiatives of this kind, and they could have been expected to discourage and obstruct this particular grouping because it might prove to be competitive with their own particular schemes.

But already, in that premature yet highly revealing and significant conference held in Baguio thirteen years ago, the living seeds of great ideas had been planted in the fertile minds of men. Two of these ideas which were embodied among the recommendations of the Baguio Conference, now form part of the cornerstone of Maphilindo. These were:

First: "The Conference firmly establishes the principle of joint action among the countries of the region for a specific purpose. It is obvious that the practice of consultation and joint action is bound to become, in time, a permanent fixture of the political life of the region."

Second: "The Conference establishes the significant doctrine that the interests of the peoples of the region are to be the primary consideration in any attempt to solve their problems."

The first principle foreshadowed the practice of *Mushawarah*, which has become the accepted form of Maphilindo consultations, while the second principle constituted the basis on which Malaya, the Philippines, and Indonesia endeavored to formulate a solution to the problems of Malaysia.

After showing what Maphilindo is on the basis of its ancient as well as more recent antecedents, I would now like to say a few words about what Maphilindo is not.

First of all, Maphilindo is not a racial or racialist grouping. That Malaya, the Philippines, and Indonesia are inhabited by peoples of predominantly Malay stock is, however, a fact that cannot be denied. That, furthermore, these peoples are drawn together by the magnetic forces of race, culture, history, and geography is to state the obvious. Nevertheless, Maphilindo is not inspired by any doctrine of racial exclusivism. It will keep its doors open and remain hospitable to all persons regardless of race, creed or color who pledge undivided allegiance to any of the three Malay states that compose it.

Secondly, Maphilindo is merely the nucleus of an expanding association of nations in the region which are prepared to subscribe to the aims and purposes which have inspired the three countries to come together. While the three countries have been brought together by the natural unifying force of racial affinity, other factors no less efficacious will bring into this association other countries that have the same ideals.

Thirdly, Maphilindo is not a Super-State and none of its common organs will exercise supra-governmental powers. The three countries that form it will retain unimpaired their independence and sovereignty.

Fourthly, while Maphilindo will endeavor to emphasize the similarities between the three countries and enlarge, if possible, their areas of joint action, they are bound to respect each other's particular traditions and institutions. The Malay countries have the example of the Nordic countries which have been able to coordinate very closely their political, economic, social, and cultural activities while realistically recognizing their differences and respecting one another's special ties and obligations, so that Denmark, Norway, and Iceland are members of the NATO, while Sweden and Finland are neutral.

Fifthly, Maphilindo has enabled us to gain new friends without losing old friends. It is safe and reasonable to say that our old friends will remain our friends because it is inconceivable that they should oppose a movement which can only serve to give to each country in the region its just share of the responsibility for the peace, security, and well-being of the area. On the contrary, it is in their own interest to encourage us to assume our share of this responsibility. Recent and current developments in Southeast Asia prove beyond doubt that the most modern military equipment and the most advanced military know-how will yield maximum results in the struggle against Communist subversion and attack only if the struggle enjoys the loyal and devoted support of the masses of the people.

While developing new strength in cooperation with our neighbors, we shall continue to welcome the assistance of friends we already have.

I would like to conclude this brief preliminary analysis of the nature and purposes of Maphilindo by re-stating that its central purpose is to capitalize upon the natural and unavoidable realities of geography and politics in our part of the world. Through their long night of subjection and through the long eclipse of their civilization, the Malay peoples have waited for this moment. If they fail to seize it, another opportunity may not come again during the lifetime of this generation. But if they seize the moment mightily with both hands, it can mark the beginning of a new golden age for the peoples of Malay stock. In Maphilindo and through Maphilindo, nourished constantly by

their vision and enterprise, the Malay peoples shall be borne upon the true, the vast, the irresistible wave of the future.

It has been rightly said that when I was elected President in 1961 for a term expiring in 1965, there was constituted a four-year contract of service to our people. It will be noted that the abolition of share tenancy and the establishment of Maphilindo were accomplished within only one year and a half of our four-year tenure. Men of vision and imagination will readily realize the significance of the fact that the abolition of tenancy had been a crying demand for the past five hundred years while the Maphilindo was the dream of Dr. Jose Rizal, President Manuel L. Quezon, Claro M. Recto, Wenceslao Vinzons, and other Malayan statesmen now come true within less than half of our contracted period of service to our country. With confidence bolstered by our immaculate devotion to the lasting well-being and greatness of our people, we venture in candor to express the thought that if we were given the opportunity to employ the full period of our contract with the people without obstruction and with the constant support of good citizens and dedicated leaders, we could add a stone to the edifice of our nation that will merit the favorable judgment not only of this generation but of our posterity.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**Speech of President Macapagal during the induction of officers of the Chamber of Commerce of the
Philippines Speech
of
His Excellency Diosdado Macapagal
President of the Philippines
During the induction of officers of the Chamber of Commerce of the Philippines**

[Delivered on September 17, 1963]

**THE FINANCIAL RECONSTRUCTION
OF PHILIPPINE INDUSTRY**

MORE THAN a year and a half have passed since the present Administration took over the responsibility of handling the country's problems and guiding its future. They have been eventful months. Decisions and actions were taken, some unprecedented and even bold, but always with an eye to what is good for the Nation now and in the future. There may be serious differences of opinion as to the correctness of some of our decisions and actions but I assure you that there should be no difference of opinion that right or wrong, they were made for the loftiest purposes. There was absolutely no selfish, much less self-aggrandizing, objective and the sole motive and objective underlying every single decision and action was the prosperity and well-being of our country and people.

It is with gratification and appreciation to you leaders of the business community that I recall the enthusiasm generated by our policies and actions, although there might have been some apprehension to the personal interests of some individuals whose privileged position under the discarded system of controls might be threatened by the restored era of free enterprise and fair competition. It is our fervent hope that the initial enthusiasm in the business sector that met the launching of our policy of free enterprise has not diminished and that there have been no valid causes that should cause it to diminish.

To the Administration, this is a vital point because the success of free enterprise depends on the attitude and effort of the business community in the private sector.

Since we assumed office, we have been maligned, at times cruelly, but we trust that this attitude of malignment towards us is not generally shared by the business community and that it is realized that considering that no administration is infallible and correct in all its actuations, in the balance sheet between right and error, the outstanding and indubitable fact is that the Administration has deliberately, as a matter of basic policy, done its utmost to be helpful to the business sector to the point that the Administration has been willing to risk and jeopardize its political position in its paramount desire to be helpful to the business community to which economic growth is entrusted in free enterprise.

We need only to cite one reminder to support our helpful attitude towards the business sector as a matter of basic policy on the part of the Administration. This concerns a choice between the exercise of power and the rendition of service to the business community and to our people. At the time we took over the Administration, the President had in his hands the power of control over foreign exchange and imports. Had we chosen to retain that power, which we could have done with justification by withdrawing only part of it, we could have dictated on who were the businessmen to receive dollars and who were not, who were the newspapers who could receive newsprint and who would not and who were the citizens who could travel abroad and who could not. Power-wise, we would have had more power over business and businessmen than otherwise.

Yet we had no hesitation in relinquishing that power because it was our conviction that it was good for business and it was good for the country. Ironically, in relinquishing the power, we enriched by the millions certain business interests who now slander us with epithet of dictator. By the cancellation of license for the purchase of newsprint, we likewise bolstered the freedom of certain newspapers whose pages are now full of slanderous attribution of dictatorial power upon us. These newspapers have even slandered the business community by criticizing the comparative lack of criticism towards the Administration on the part of business leaders and attributing this to fear,

which in plainer language, means cowardice. I know that the business sector needs no defenders because you are perfectly capable of defending yourselves from unwarranted criticism. I would like to express my view, however, that if the business leaders have been less critical of the Administration than others, it is not because of fear, much less of cowardice, but it is rather because, unlike others, the business sector does not have such a short memory as to forget that in abandoning controls and restoring free enterprise, the Administration has not shown lust for dictatorial power but on the contrary has such faith in the vitality inherent in the freedom and initiative of the business sector that the Administration was willing and happy to give up enormous power in order that the growth of the economy and of the country will be entrusted to the freedom and initiative of the business community.

On this occasion we therefore reaffirm our faith in the freedom and initiative of the business sector as the prime movant of the economic growth and prosperity of our country with the government providing only the encouraging, guiding and assisting participation. At the same time, this is an occasion for the private sector to be reminded of this their paramount responsibility in the economic development of the country. With strong conviction, the Administration has long made up its mind to place in the private sector the main responsibility for the economic progress of the country. The private sector, through its organized agencies like this Chamber, should now make up its mind or firm up its resolve on whether it is prepared to adequately assume this responsibility. It would be unfair to our people for the business sector to watch the Government allocate to it the vital responsibility for economic growth without adequately discharging its responsibility and without providing the necessary cooperation and effort to make such an allocation of responsibility a success. This is the challenge that faces the private sector today as we assess after one year and a half the progress made and the outlook for the future in the implementation of the nation's socio-economic program founded on free enterprise.

In the spirit of faith in the freedom and independence of the private sector, I have received with caution the report from the Central Bank authorities advocating the need for temporarily tightening credit in order to keep our monetary situation under responsible control. Representation has been made to me of the truism that inflation is a plague that inflicts a million distresses; it strikes right at the budget of the common man and corrodes the very stability of the foundations on which our economy must stand. We are reminded that we are one of the few developing countries that have renounced inflation as a way of life; we are one of the few developing countries that have won, before the world, a place of honor for having always maintained a reasonable stability while striving after growth. As a developing country, our hallmark has always been a healthy combination of energy and prudence. Because of our energy, our economy has grown at a rate that is one of the highest in Southeast Asia; because of our prudence, our country has succeeded in maintaining that growth within the healthy bounds of financial stability.

In accordance with this spirit of preserving our own stability, certain credit restrictions are proposed to be imposed. The increases in money supply are reported to have been of such a magnitude as to signal the need for cautious retrenchments for the sake of preserving that orderly climate without which we can hardly pursue our long-range program of socio-economic development. It is urged that our present monetary situation calls for a careful slow-down in the rate at which our money supply has been increasing. The pause is said to be necessary now, but it will not be extended a day longer than necessary. The credit situation is pledged to be relaxed the very moment the economy can productively absorb the impact of new money. We are told that as it were, it is necessary to simply pause for breath, for the sake of our financial health, and that transition calls for the highest type of business statesmanship, and a spirit of cooperative understanding among our people.

While accepting the validity of these representations, and in accordance with the Administration's basically helpful attitude towards the business community, I have conveyed a suggestion to the Central Bank authorities to examine the proposed credit restriction more carefully and to suspend their contemplated action. In consonance with the basic policy that economic growth is the prime responsibility of the private sector and not that of the government, if it will help to arrive at a wholesome solution to this credit problem, the Administration would be willing to restrict its spending rather than restrict existing credit to the private sector.

In addition to this, in order to be of continued help to the private sector in the matter of credit and capital availability for economic growth and expansion, I am glad to announce that the Administration has adopted a program, on which we shall dwell in the remainder of our remarks, for injecting new strength and new vigor into our existing high-priority industries that have been financially distressed in the aftermath of decontrol. This program consists in

mobilizing the resources at the command of the government to assist existing Filipino industries in the urgent task of effecting their financial reconstruction.

Let us review briefly the setting in which this financial reconstruction program for existing Filipino firms has been deemed by the Administration to be necessary and advisable. To set the program in perspective, we shall go back into a bit of recent history.

As you are all aware, we have inherited today an industrial sector whose character and structure were influenced deeply and pervasively by the period of exchange controls. Because of the peculiar profitability of having access to cheap dollars, many of our manufacturing enterprises were established on thin foundations of equity capital and made their profits by a liberal use of short-term credit for financing large inventory turn-overs and sales of products made from imported materials. They were thus able to keep themselves going by keeping a minimum of equity capital and rapidly using short-term funds.

This climate, of course, yielded considerable profits for certain classes of manufacturing and trading enterprises that cropped up during the period. But these profits were attained at high costs to the economy. The major manifestations of these costs were the progressive depletion of our foreign exchange reserves during the period as well as a clear misdirection of substantial investments toward fields which the market would not normally support and which largely counted on the profits provided by the undervaluation of the dollar. Under such an atmosphere, it was inevitable that the capital structure of these concerns was tailored to the loose requirements of the prevailing cost and profit conditions rather than to the strict standards of financial soundness that ordinarily prevail under a free market. Hence, the slim capital base and the high debt superstructures characterizing the finances of these ventures. These arrangements kept a good many enterprises alive and profitable for as long as the cost of the dollar was suppressed at a low rate. But when, for reasons which you know, we abolished the system of exchange controls, those firms that were built on unsound financial foundations found themselves exposed to the rigors of the free market and discovered, to their own distress, the weakness of their capital structures.

The need for a special refinancing assistance is clear and conspicuous. The thin capital resources and the rapid turn-over of short-term credit are no longer sufficient to meet the increased operational requirements imposed by decontrol. The rise in the price of foreign exchange to its market level has placed some enterprises in a kind of awkward financial squeeze. This is true especially for those that tied up short-term credit in fixed assets and could not subsequently use it to meet day-to-day operating requirements. One effect, therefore, of decontrol is to drive home the absolute need of committing an adequate amount of equity to an enterprise, and supplementing this by a carefully-conceived debt structure of long and short-term loans, combined in the proper proportions.

The resulting insufficiency of funds from which some businesses now suffer has resulted in some kind of a vicious circle. The higher operating requirements plus the difficulty in raising more funds have resulted in a restriction of production levels way below existing capacity. This means that there exists a substantial amount of installed capital which is under-utilized. This in turn results in higher cost of finished products and thus a restriction of sales, which compound the difficulty of raising funds. Quite significantly, it also means that some of our industries are foregoing the clear and promising prospects of competing in export markets where they could hold their own if they could only operate at full capacity.

There is another telling lesson that the lifting of controls drove home on all of us. While in the past, even the maintenance of inefficient and under-full-capacity operations could result in rewarding premiums because of the built-in profitability of importing, the same types of operations will not be able to withstand the rigorous conditions of a free enterprise economy. The rewards now will accrue to the well-managed and well-financed enterprise rather than to those that enjoy the privilege of dollar allocations.

Those ventures that were sheltered by controls are pretty much in the same situation as natural organisms that are born, raised and nursed under artificially-induced conditions and then are exposed to the normal forces of nature. It is to assist these businesses that the large-scale refinancing program has been conceived. The program aims at helping them readjust themselves to the now-normal market conditions generated by decontrol. Now that their

protective shelter has been removed, there is an urgent need to help them attain that inherent soundness and achieve that level of efficiency and operations necessary to keep them strong and competitive under a free market.

Among these institutions are certain high-priority industries that definitely stand in need of assistance in the way of financial reconstruction. I wish to emphasize that the refinancing program is aimed as support of the Administration's policy of keeping the control and management of our economic affairs substantially in the hands of our own Filipino citizens. Unless we take positive measures to rescue certain high-priority industries from their distressed financial conditions, they will be gasping for assistance from whatever source. In effect, a good number of firms may resort to selling part or all of their capital to foreign corporations out of a desperate desire to bail themselves out of their sheer starvation for funds.

We have, of course, announced in the past that we shall always welcome the participation of foreign capital in our nation's development, but preferably through the medium of joint ventures, of joint investments in new projects and new enterprises. We conceive of the role of foreign capital not as one of taking over existing industries from Filipino hands but of teaming up with Filipinos in the launching of new ventures. In keeping with the fundamental precept laid down by the five-year socio-economic program that the economic development of the Philippines is a responsibility primarily of Filipinos, this Administration is pledged to assist our nationals in maintaining the ownership and control of enterprises that are already existing and going, and which were launched by dint of their own daring and their own labors.

We shall not let the present distress of existing industries become an occasion for surrendering their control and ownership to foreign enterprises. We shall not let the weakness of their present financial structure cripple permanently their competitive position. We shall not let their present condition last long enough to lead to their dissolution or liquidation. These industries represent a substantial amount of investments made by our people, and this Administration will exert its utmost efforts to help restore their viability and strength by means of a refinancing assistance program. This, in essence, is the aim of our program for the financial repair of certain meritorious industries.

How will the refinancing program be carried out?

One of the premises underlying our socio-economic program is the firm intent of this Administration to use the lending institutions of the government explicitly as instruments for supporting the development of the most strategic private projects. Specifically, we intend to utilize the investible resources of such institutions as the GSIS, SSS and DBP for strengthening the financial foundations of existing industries, for expanding present enterprises, and for developing new industrial ventures. On many occasions in the past, we spoke of the directions into which we are pushing the development of new projects. Today, we are concentrating our attention not on expansion or new development but on the refinancing of present firms. There is a simple economic rationale behind such a program. We cannot conceive of directing resources towards the promotion of new ventures without first helping to bring to full and efficient utilization the investments in ventures that are already with us.

Let us then go through a brief summary of the elements of the refinancing program which we have adopted. Basically, the most urgent need of Filipino business is not simply for more funds as such but for more long-term resources. On this basis, we are setting aside out of the investible funds of the government's financial institutions a sizeable special fund to be used exclusively for refinancing certain high-priority industries. This support will take principally two forms. The first is assistance in bolstering their equity by means of subscriptions to preferred shares in deserving and meritorious enterprises. The augmentation of their capital will not only put these firms on a sounder foundation but will also increase their capacity to negotiate for additional long-term and short-term loans both from domestic private institutions as well as from foreign lending agencies. The second way in which this special assistance will be given, will be in the form of long-term loans. This will help in releasing a good amount of short-term credit for use as working capital.

The injection of long-term financial assistance to some high-priority industries will result in the full utilization of their presently unused capacity, in the reduction of costs, and in an increase in the competitiveness of their products not only in the domestic market but in the still-untapped export markets for Philippine-manufactured products. By

such a judicious program of assistance, we hope to exploit the export potential of our industrial enterprises and to start thereby a long-range campaign to shift the relative composition of our exports away from primary agricultural products and into intermediate and finished manufactured goods.

There is still another fundamental innovation which we hope to introduce into the financial habits of our country. The main basis for the grant of future financial assistance by the lending institutions of the government will be the viability, the soundness, and the potential profitability of a project more than the amount of collateral that the borrower can present. Our past pre-occupation with collateral has been a restrictive factor in our development. It served to deny the benefits of financial support to projects which could have well been a dynamic enterprise but which for insufficiency of collateral could not command enough credit from our lending agencies. We are moving away from these obsolete habits. There is no reason, for example, why a loan should not be granted to an existing firm which by the productive use of that very loan can increase its domestic and export sales and thereby generate the resources by which to repay their obligations. There is no reason why the very productivity of the borrower should be considered an inferior form of security than such collateral as real estate. There is no reason why he who owns more should deserve a loan more than he who can produce more. By a shift of the lending policy of the major public institutional suppliers of long-term funds, we hope to make the maximum productive use of the investible funds in the hands of the Philippine government.

The benefits of the refinancing program will be reserved for those firms that are willing to meet our assistance halfway. They must be earnest, for example, in putting their own house in order by adopting more rigorous standards and procedures of management. They must exert a good measure of effort to raise more capital from their present owners or from new stockholders. They must show a capability of pushing their enterprises towards a stage wherein they can justifiably assume the posture of sound and profitably-run institutions. All the elements that insure the viability of the concern must be present in order for it to qualify for refinancing assistance. We shall give special priority to those manufacturing industries that show a promise of vigorously entering the export market and introducing high-quality Philippine manufactures in foreign centers of trade.

The government and the private sector are partners in the task of economic growth and progress. You in the private sector are the senior partner; the government is the junior partner. As the junior partner, the government under this Administration will play its role with integrity, hard work and enthusiasm. As the senior partner, you in the private sector are called upon to do no less to the end that business in general will face a future marked by the growth of its strength, the strength that emerges from a happy convergence of business dynamism and government guidance and assistance.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Toast of President Macapagal for Prime Minister and Madame Ikeda of Japan

**Speech
of
His Excellency Diosdado Macapagal
President of the Philippines
For Prime Minister and Madame Ikeda of Japan**

[Delivered at the Philamlife Building, September 25, 1963]

TWO NATIONS, ONE GOAL

MRS. MACAPAGAL and I are grateful for the hospitality and honor extended to us this evening by Prime Minister and Madame Ikeda.

In only a few days since their arrival in our country, both the Prime Minister and his lady have deeply impressed our people with their sterling qualities. We shall miss them when they leave tomorrow and feel, on their departure, that their visit has been all too brief and that it is our hope that they shall come again for a longer time.

I am overwhelmed by a combined sense of appreciation and humility over the kind references made by the Prime Minister about me in my efforts for our peoples. I have regarded these efforts as the inescapable duty of anyone who is charged with the leadership of a newly independent and developing nation in Asia adjusting her existence to the stresses which today are stirring all humanity as men everywhere, amidst the anxieties of these stresses, seek a more abundant life in widening liberty. I am grateful for the encouragement coming from such an eminent source and thus heartened, I shall carry on my task with firmer resolve to be worthy of the high expectations and, above all, to deserve the faith of our people in our dedication to their welfare.

Having already had a liking for Prime Minister Ikeda even before coming to visit with us, I have been even more impressed after having had closer contact with him. In the discharge of the responsibility of leadership in his country, he is imbued with a sense of integrity and dedication to his labors for his people. He is completely immersed in the spirit of freedom which our common cause of democracy upholds. His successful leadership of the cause of democracy in Japan has been a boon to the free world and bears promise of more value to the cause of freedom in the coming years.

We are not, therefore, surprised that his leadership has accelerated the material progress of the Japanese people under his double-the-income policy.

I have been likewise impressed by the new emphasis that the Prime Minister appears to have placed on the moral regeneration of the mass of the people of Japan. In this, we think alike for I have dedicated my administration to the invigoration of the moral qualities of our officials and people.

I am in accord with the Prime Minister in his vision of the role of Asia and Asian nations in the promotion of the peace and well-being of all mankind. I share the recognition of the potentialities that are derived for international cooperation and development from the advantageous geographical condition of Japan and the Philippines of being situated between the Pacific Ocean and the Asian mainland, potentialities that become even more magnified in contemplation of cooperative effort with similarly situated countries.

I recall, in this connection, what the Philippine Government said in stating its position on a mooted matter with one of our neighbors, as follows:

“In His infinite wisdom, the Almighty gave natural protection in the form of a water barrier to the island nations located in the Pacific between the massive continents of America and Asia. These island nations are Japan, Taiwan,

the Philippines, the Borneo territories, Indonesia, Australia and New Zealand. It is vitally important that none of these territories should fall under the authority or control of a communist state on the mainland of Asia.”

I trust that our intimate exchanges of views have increased a mutual understanding of the respective problems and endeavors of our two nations in such a manner as to be helpful in the resolution of pending matters. With increased mutual understanding and widening area of collaborative effort, our two countries, shall all the more, be in a position of effectively contributing to the effort of keeping our area safe for democracy.

May I invite you all to join me in a toast to the continued good health of His Majesty, the Emperor of Japan and to the happiness and well-being of the Japanese people.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**NATIONAL GOVERNMENT PORTAL – EDITED AT THE OFFICE OF THE PRESIDENT OF THE
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Address of President Macapagal at the Loyalty Day celebration of the College of Agriculture

**Address
of
His Excellency Diosdado Macapagal
President of the Philippines
At the Loyalty Day celebration of the College of Agriculture**

[Delivered in Los Baños, October 10, 1963]

LOYALTY TO THE COMMON MAN

LOYALTY DAY in Los Baños is one of the most significant celebrations of the year. I have watched with interest the growth of this College, from a typical and much-needed school for farmers and farming techniques to an institution of world renown, unique not only in its place in our system of higher education but also in its role in the agricultural economy of Southeast Asia. To see this institution grow has naturally become a source of pride to all of you here, but I believe you cannot match the satisfaction that I feel over your progress.

I say this in all sincerity and conviction—sincerity, because you are concerned here with the same interests that have inspired my life; and conviction, because you are well on your way to proving, if you have not proved it already, that working in behalf of the common man is gratifying and soul-filling and has its own intrinsic rewards.

Your Colleges of Agriculture and Forestry here in Los Baños are part of the University of the Philippines, a growing University, composed of 35 degree-granting units, an institution that is now steadily forging ahead, and whose interests are close to my heart. This I have demonstrated by recommending an initial substantial increase in its appropriations, the first time in its history. I am, I must humbly say, a staunch believer in your University of which I am honored to be an alumnus. I see in its efforts, particularly in its development program, the delineation of a policy that will mean the achievement of excellence, and I have committed myself to its support. We cannot ask for less, and I consider it my duty to our people to stimulate every effort in that noble direction.

The University of the Philippines today is led by General Carlos P. Romulo, who at one time was the President of the General Assembly of the United Nations. After one year and a half since the Board of Regents elected General Romulo as the President of the University of the Philippines, it is apparent that his performance has been excellent. He has raised the prestige of the University and has more than justified my expectations when I lent my support to his election as President of the University.

A few weeks ago, the sensational allegations prompted by the political atmosphere which has been engendered by the current elections purported to associate General Romulo with an affair involving ethics in government which had attracted wide attention. I have personally looked into this matter. After doing so, I am in a position to state that the mention of the Romulo name in the aforesaid affair was absolutely not aimed at marring his unquestionable integrity, because that would have been an untenable task, and that the integrity and honesty of General Romulo which has been consolidated by his lifetime of devotion to his country and to high principles has not in anyway been put to question, much less impaired, by the mention of his name. Being at least as well informed as any other on the aforesaid affair, I speak with authority in stating that General Romulo has absolutely not acted in any manner as to put his lifelong adherence to high principle to an iota of ambiguity. Out of fidelity to the facts and to the truth, I say that General Romulo remains today, and I believe for the rest of his life, to be a great Filipino whose integrity and honesty, not to mention his eminent services to our country, is not only unquestioned but unquestionable.

As to your celebration of Loyalty Day, allow me to share with you my thoughts on it. This celebration, to my mind, is loyalty to the common man. The history of this celebration here at Los Baños is proof of this. Forty-five years ago, the faculty and students of this college rallied to a call to duty—to President Quezon's appeal, in particular, for enlistment in the Philippine National Guard as the Filipino contribution to the First World War. We are all familiar with the ideology which won that war and which inspired everyone with a sense of new-found freedom. This ideology guaranteed that the common man will be heard, that it is he who will determine who will run his affairs for him, and that it is he who has the immediate lien on the fruits of his labors.

We have since learned to live that ideology—to establish in our social institutions the proofs of its validity and strength; and we are committed as a people to safeguard it from subversion and even from the slightest signs of decay.

It is in this light that Los Baños is important in our political life. This campus exhibits a devotion to the Common man today, just as it did eloquently forty-five years ago. This is a dedication which has given me inspiration in my own administration as your President and, perhaps, today is as good a time as any to describe to you some of the ways in which I have tried to express that loyalty.

It is very easy for the leader of the country to express loyalty to an idea but at the same time encourage, if not indeed support, or initiate actions contrary to that spirit. This is the temptation of leadership. But drawing from our experience as a nation and impelled by a love for progress, my administration has endeavored to step clear of the reach of such a temptation. To achieve this, my administration, at its earliest stages, launched the moral regeneration campaign, which, as you all know, is changing the ethical landscape of this country. Like any other country we have our share of the poor and the rich, of the weak and the powerful, and, as you have observed, we have not hesitated to confront the powerful and the rich wherever such issues as public morality, graft, corruption, and other venalities have been involved. In my own view, manifest expressions for the welfare of the common man would be utterly empty should my administration condescend to accommodate the evils exemplified in the public behavior of some of the rich in this country who also happen to be some of the most powerful. In my view, loyalty to the common man can be expressed by protecting him from the evil represented by the few in our society who wallow in a morass of degradation disguised as wealth and power which, for all we know, became theirs through the labors of the many, the sweat of the poor, and the tears of the hungry.

But let me not be misunderstood. It is not true that I am trying to divide our people between the rich and the poor. It is not true that I am pitting the underprivileged, which form the greater part of our population, with the favored few. Such insinuations as these can come only from irresponsible criticism, a criticism that does not take into account and which does not honor the solemnity of the oath of office which a public official takes when he joins the government service.

Especially in the case of the President of the Philippines, that oath of office is a mandate and a responsibility which cannot be taken lightly. It is in this light that criticism of the President must be read, and in this connection such critics has believe that your President is dividing the people into this or that class and matching one against the other—such critics, I say, take the President's oath of office, I repeat, lightly indeed. For that oath of office compels your President to protect and defend all our people, regardless of class, regardless of social standing, or position, and privilege of any category.

That is your President's commitment, and his actions must be judged in that respect before they may be given any other construction such as would suit the interests of his detractors. What criticism often forgets is that the common man has long been expecting his due, and it is in the interest of the privileged, in the interest of the favored and entrenched in their comforts and wealth, in the interest of the entire nation that all of us personally had better consider it our duty to see to it that the common man is looked after, that his rights are protected, that his opportunities are expanded and safeguarded, and that his future in security and plenty is within his reach and not a mere illusion that is promised him year in and year out by those who seek his support only to jeopardize eventually his worth and frustrate his hopes.

And why did my administration launch a socio-economic program? Why are we now tapping not only the brawn of our working class but the brains of the intelligentsia as well in the concerted effort to improve our living conditions, to double the per capita income, to provide self-sufficiency in as many consumers' items as we can manage to manufacture? The beneficiary of this mammoth effort is none other than the common man. This is the second expression of loyalty that my administration manifests to the common man.

I have come from their midst, and if circumstances of leadership which came no less from the people and by their popular mandate, have now placed me in a position to administer their affairs and safeguard their welfare, it is they, the common people, who have truly and unequivocally made this possible. You will therefore see that my concern is natural and that, personally, I cannot indeed do otherwise. Underprivileged as all my forebears have been, I nevertheless cannot claim that I, on every occasion, know our people's problems, that I can divine their needs and, of my own accord, find solutions for them. Such, if possible, would be a superhuman task and, therefore, my administration on no occasion can pretend to say that it knows at every turn what our people want. But I felt it my duty to try personally to feel the pulse of the nation, not indirectly but directly, not through figures and reports but by personal contact. And this is the reason why we have initiated the Common Man's Day at Malacañang.

Even then I knew that this was not enough. That to feel really the pulse of the people meant seeking them out in their homes and in their farms, in their various places of work and recreation. I knew that the President would be guilty of his own kind of regionalism were he to remain in Malacañang and wait there for the people to see him, to talk to him, to tell him about their problems, their needs, their immediate aspirations, and their long-range plans. It is for this reason that I have taken the time to visit the provinces whenever possible, for it is in the provinces where the greater part of our life as Filipinos is lived in utter simplicity and honesty which has been traditional with our people. It has been strenuous, it has required patience and forbearance, it has called for numerous sacrifices; but I find comfort in the thought that I will be rewarded with the vast knowledge of how this nation lives, a knowledge which no man sitting in comfort in an air-conditioned room can possibly attain, and by a conviction that one who is truly loyal to our people must be ready to offer any sacrifice, even life itself, if necessary, for the well-being and happiness of the people.

The land reform program is, as you can very well see in this context, a further expression of that loyalty. Much has been said about this subject, and I will not burden you with the details of the implementation of this revolutionary program. Your involvement in it, however, especially as engineers of our agricultural economy, is patent and undeniable. But this much must be said: that the land reform program constitutes a challenge to your knowledge and skill, to your generosity and to your foresight. The underlying principle, which is to harness our land resources to the fullest, is indeed an opportunity for sharing your skills with the land and with the people. The revolutionary concept to which the land reform program has been geared, which is the abolition of tenancy, is in effect a dynamo of infinite power and of unlimited resources. It means a people liberated at last from a bondage which they and their forebears have had to suffer. To free the common man from his chains—this is the most dramatic expression of loyalty to him that we can express. To give him the opportunity to own his land, to till it and enjoy its fruits to the fullest, by this we make practical the abstraction called love for the common people.

You, on this campus, are in a very vital way involved with the common man. The professors here have long ago chosen their field of study, which is agricultural technology, and that choice was one which did not overlook, I am sure, the common man. Let no one say that they and their students here are without loyalty to the cause I have just described. You are doing your share as much as everybody else, if not more.

And yet, even now, I must say in all frankness that this firm loyalty we share to the man behind the plow, or to the woman sitting all day long behind the counter of her small *sari-sari* store, or at her loom, or tending her chickens or swine in her backyard—let it not be said that we are doing enough for them. Especially from this College, much is expected for the reason that much has already been done here. Your laboratories have not been idle, your class rooms have not remained silent but have become the setting of a continuous dialogue between two generations, a dialogue that has to do with how best to attain wealth and plenty from the soil, a dialogue which has to do with banishing poverty and want and frustration.

Yet it is a paradox that while not only in our country but abroad, your College is regarded as the repository of the best agricultural-technology, your know-how has failed to be accepted by our farmers so as to influence their

endeavors into more abundance and prosperity for our people. While other countries have so benefited from the rice technology of your College as to help make them rice exporting countries, your technology has failed to raise the rice productivity of our farmers. This is one of the perplexing problems of our time. We must attend to this problem if we are to justify the continued support of the government and of the people to the maintenance and growth of your College.

I would think that over and beyond the means now at your disposal, and I am aware of your efforts towards disseminating to our people the technical knowledge that you have acquired, there are any number of activities and schemes to further the influence you can exert to foster the ideal of prosperity and security to which your individual careers in this College have been dedicated. Your research will be meaningless unless translated for easy and practical adoption by our people; and the expense incurred in such research will amount to sheer waste if you cannot transform our people's lives in keeping with the needs and demands of our time.

You have learned to utilize the printed word and the radio as media for spreading that knowledge; soon you will be thinking of using television and the cinema. These are tools which are handy enough, but I also know that you do not frown on personally demonstrating your knowledge to the lowly and unlettered who might need it. This is your way of expressing your loyalty to the common man. But this I must repeat: there are possibly other ways, methods, and schemes that will challenge your imagination and that will widen the reach of your influence and deepen the intensity of your desire to work not for yourselves alone but for others. And reach our people in every way, I repeat. Make your science work for them, perhaps without their knowing it.

The country looks in your direction for precisely this kind of attention that you can give to the common people. Buckle down to the task; let no obstacles come your way; go forth and spread this knowledge that you have; share it generously and extensively, so that it will go into our folkways, it will become flesh and bone in our tradition—it will be our way of life. Science is nothing if it does not benefit the common man. And the scientist is essentially he who can transform reality out of a sense of love for his people.

A greater love for his people a man even in public office cannot profess. We live in perilous times in which ideological weapons have come into play. Our commitment to democracy and the democratic way of life so dramatically expressed on this campus forty-five years ago has required new ways of manifestation. I have described how your President and his administration have chosen to commit himself and his government on the side of that way of life. This has been a decision born not out of fear of the stark and forbidding realities of Communism but out of love for our people. For fear is an unstable foundation for action; it is love that builds for solidity and permanence.

If, however, we live in perilous times, an opportunity for security and abundance now awaits us through completing the unfinished revolution which our forebears have started. History has perhaps deprived us of seeing this revolution in its true perspective, but no one can belie the fact that it was not fought in vain. Its issues, even now transformed by time and national exigencies, have changed. By the same token, our means of pursuing this struggle must change to bring it to a triumphant conclusion. To make that victory possible and real, my administration has decided to harness all our resources towards creating that better society which our forebears have dreamed about. Thus, our concern for the common man, our moral regeneration campaign, the socio-economic program which my administration has launched, the land reform program for all these are as nothing, if they are not indeed the very weapons now at our disposal for consummating that age-old struggle. They are the weapons that fit our time, and they are as blades of steel which our forebears brandished in the air as they cried "Freedom!" That spirit is not dead, and it inspires us today.

Lincoln said of democracy that it is a government of the people, by the people, and for the people. We all know how right that definition is. Indeed, what is a democratic government if it is not the handiwork of its citizenry, if it did not work toward the best interests of its citizenry, and if it did not include all of the citizenry? But in our day, this concept needs a new reading. Democracy is not a static concept; it is as dynamic, as organic as any living thing, and it is for this reason that we say that democracy is alive or that it is dead—alive when its dynamism is patent, when its breath is warm, and when its touch is comforting; and dead, when its hand falls inert on our people's shoulders, when its breath is fouled by some form of decay, or when its energies have been drained completely.

I am a great believer in the undying life of democracy, and I say that its dynamic quality emanates from its leadership as manifested by the people's choice. This is why Lincoln's definition must be updated; in my view, democracy is not only a government of the people, by the people, and for the people is based on mutuality of interests between the government *with* the people—because a government *with* the people is based on mutuality of interests between the governor and the governed, a government in which if possible no gap exists between public officials and the citizenry, and a government with a leadership that is motivated by understanding. It is a government in which access to its highest councils is available to all, where bridges of accord between the governor and the governed remain open at all times. These I call a government *with* the people and a truly genuine democracy which draws its strength only from the people.

We are gathered today in celebration and in joyful appreciation of the blessings of our land and of our people, firm in our faith in that democracy whose strength and whose future rest with all of us.

Source: **Presidential Museum and Library**

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Radio-TV Speech of President Macapagal

Radio-TV Speech of His Excellency Diosdado Macapagal President of the Philippines

[Delivered on October 10, 1963]

REASON FOR CAMPAIGN

Tomorrow I shall resume my campaign for the Liberal Party senatorial candidates. I have been campaigning for the Liberal Party candidates because of the conviction that numerical control of the Senate by the opposition makes it extremely difficult not to say impossible, to implement properly and successfully the five-year economic program which the Administration has launched to bring about a better life for our people. I hold to the view that placing the Senate in the control and under the responsibility of the Liberal Party is virtually a part of the program itself, hence it has been necessary for me to ask our people to elect the Liberal senatorial candidates, lest our program of economic and social progress for the people result in failure, to the detriment of the national welfare.

If the Liberal Party had a majority in the Senate, I would not have considered it necessary to take active part in this campaign. Because of the need of insuring the success of the Administration's program for the people, however, I have borne the ordeal of actively participating in the campaign in accordance with my resolve to undergo every necessary labor, every sacrifice, and every hardship to succeed because the failure of our administration would bring back the graft and corruption and the hopeless difficulties that our people suffered under the Nacionalista regime.

SIX TO EIGHT LP WINNERS

As the current campaign approaches the homestretch, I am gratified that despite the irresponsible attacks of the opposition, our people have maintained their confidence in the administration, so that the best estimates show that six to eight of the Liberal Party candidates are likely to win in the senatorial election.

The issues raised by the opposition have largely been ineffective because they were not founded on facts and were grossly exaggerated. Thus, the opposition has failed to refute the fact that the Administration deserves the continued support of the people in their own welfare. This is as it should be, for, considering that only one year and nine months of its four-year tenure have elapsed and despite the gravity of the problems left by an eight-year Nacionalista regime and despite the obstruction of an NP-numerically controlled Senate, the Administration has established a record of performance that favorably vies with the eight-year performance of the previous NP administration.

THE RICE PROBLEM

There is one matter which I would like to take up as a matter of importance to our people, irrespective of whether it is involved in the current election or not. This is the matter of providing the basic food of our people; namely, rice and corn.

In my inaugural address, I pledged that in my administration, "the urgent emphasis shall be on our people's need for staple food. . . . We shall bring about sufficiency in the production of rice and corn and make them available at prices within the reach of the masses."

In view of the satisfactory corn situation, I will dwell on the rice problem.

The opposition has levelled many criticisms against the Administration on rice. They have criticized the importation of rice, to the extent of asking the courts to stop rice importations. Whatever may be their arguments, we ask this

question: Will this criticism and attitude help the people? Will this criticism and attitude of the opposition provide the people with the rice that they need?

I submit that this is the difference between the Liberal Party and the Nacionalista Party. The Liberal Party believes in decisive action done in good faith and within the purview of the law in order to provide for the needs of the people. On the other hand, the Nacionalista Party believes in criticizing and fault-finding, without offering concrete courses of action to help the people. The Liberal Party stands on the proposition that we cannot provide for the needs of the people by engaging in criticism and fault-finding but that we can better help the people by acting positively to meet the needs of the people. If the opposition had been sincere, they would have offered solutions and an alternative program for rice—instead of criticizing the Administration continuously on this matter.

The following facts about the rice situation are now known. Last July, August, and September, this year, as in previous years, our people had difficulty buying the rice they needed because the prices were high. This was also true in previous years during the same period of non-harvest or lean months. This year, the prices were high in spite of the fact that the supply of available rice was increased by an importation amounting to 250,000 tons which the Administration, through its proper departments, procured from foreign governments at bargain prices. If our people during those past three months of July to September encountered difficulty in having their rice, even with the importations, their difficulties and hardships would have critically increased if rice had not been imported. Many of our poor people would have gone hungry because they would not have been able to afford the much higher increase in prices that would have occurred. But because the Administration imported rice, the people were saved from hunger.

The rice problem is a difficult one as shown by the fact that it has been with us since the time of President Quezon. With the information and observations gained in the past year and nine months, however, we feel confident that we will find the effective solution. To do this requires ample leeway of action in enacting the necessary legislative measures and in the form that is required. This cannot be done with the Senate numerically controlled by Nacionalistas who are more interested in causing the failure of the Liberal administration than in finding solutions to the problems of the people which they failed to solve during their eight-year administration. This is one important reason for our appeal to the people to place the Senate under the Liberal Party by electing the Liberal senatorial candidates in order to enable the Administration to enact the necessary measures as conceived by us and not as determined by the Nacionalista majority in the Senate.

In a nutshell, the rice picture is as follows: In 1961, the supply for the whole year was enough for the annual demand or over-all needs of the people but the distribution of supply was not adequate during the non-harvest months of July, August, and September.

The answer to the problem, therefore, is to improve the channels of distribution and to increase the production to have enough reserve during the harvest months beginning October in order that the excess production during the harvest months could be stockpiled for and distributed during the months of July to September.

With this end in view, the Administration in 1962 created the Presidential Rice and Corn Committee and later the RCA and bought palay at P11.50 and P12.50 a cavan whereas in the previous year palay was bought at P6.50 and P7.00 a cavan in order to induce an increase of production. At the same time, to help the masses during the lean months, RCA sold its rice at P0.95 a ganta. With this approach, the situation in 1962 proved to be successful, raising hopes that the success in 1962 would continue in 1963 and subsequent years.

During the early part of 1963, however, new factors tended to affect the situation adversely. Distribution encountered new problems with the transfer of trade from Chinese to Filipino hands. A mild drought reduced the harvest from what was originally anticipated. The virtually doubled profits from sugar and copra because of decontrol induced some rice planters to shift their crop from rice to sugar and coconut.

Taking note of these trends, despite the fact that the annual rice production in 1963 was, as in previous years, enough for the annual demand and therefore, in a sense, there was no shortage, I approved a request of the Department of National Defense to stockpile supplies, including rice, as a precautionary measure in the light of the

security situation in Southeast Asia, after being convinced that DND stockpiling was within the purview of the law. In addition, I was convinced that a continuous stockpile of rice hereafter was necessary to help our people during the non-harvest months until the local rice production becomes abundant enough to make rice continuously available to the people, through improved distribution, in quantities that would prevent a rise in price during the months of July to September.

While serving the need for a stockpile for the Department of National Defense, it was also deemed advisable that the DND rice would be swapped with RCA palay during the lean months as an assistance to the people during the period when the supply of rice is not enough because, although palay is abundant, it cannot be converted into rice owing to limited milling capacity in the country. And come the harvest period, the RCA would be able to replace fully the DND rice with its abundant stocks of palay. For this reason, I also approved the rice-palay swapping arrangement between the DND and the RCA, as it would help to tide over our people during the lean months without prejudicing the stockpiling requirements of the DND.

PRODUCTIVITY, NOT MERE PRODUCTION

Pending the enactment of necessary measures by a Liberal-controlled Senate and House of Representatives to solve effectively the rice problem, the Administration has taken steps as far as practicable to cope with the problem. We have created a Rice and Corn Authority under Secretary Sixto Roxas to implement our long-range program to achieve self-sufficiency in rice by achieving the necessary productivity as distinguished from production at an unsatisfactory productivity. The Rice and Corn Authority has started the initial implementary project in Angat, Bulacan, in which the highest rice productivity, through the use of scientific farming, will be demonstrated in a large scale. Until such time as when we shall have reached our goals for productivity and production, the Philippine Government has entered into agreements with the Governments of Thailand, Burma, and Vietnam with a view to the continuous and indefinite importation of rice to keep our people from hunger during the lean months of July to September.

These importations will not prejudice the local rice growers because the RCA will buy their produce at prices that would be profitable for them so as to encourage them to increase their production. At the same time, the Rice and Corn Authority will undertake a program, for effectively increasing productivity in rice growing, thereby reducing the cost of production of the rice growers and increasing their profit.

In brief, the Administration has one firm resolve, namely, that within the reasonable purview of the law, we will exhaust all necessary efforts to provide rice to our people at all times of the year at prices within their reach. Our policy is and shall be more and more rice at less cost to more and more people.

In simple words, the Liberal Party Administration has imported rice in order to save the common people from hunger. If the Nacionalista Party had their way and no importation had been made, the Nacionalista approach would have precipitated hunger among the people.

The Liberal Party, however, cares about the hunger of our people. We are prepared to do everything that is reasonably permissible under the law to keep our people from going hungry. Conscious of my responsibility to our people, I shall not allow our people to go hungry. If there are two reasonable sides to the law, I for one will take that side which will save our people from hunger.

If we fail to take adequate steps to provide the food needed by our people, all those responsible for the decisions may jeopardize the existence of our democratic institutions of government which were intended to promote the welfare and not to cause the hunger of the people. We recall, in this connection, the admonition of President Franklin Roosevelt in the following words: "The millions who are in want will not stand by silently while the things to satisfy their needs are within their easy reach."

FAULT-FINDING

The purpose of government and of participation therein is to render service to the people, provide for their needs and help them out in their difficulties. This is the difficult part of public service. It is difficult to serve; it is easier to criticize and find fault.

Indeed, the easiest thing to do in the world is to find fault. However, from my observation, it has been noted that those who are fond of fault-finding are themselves failures in the handling of important responsibilities.

I will give one illustration. I wish to refer to the Vice-President. In his entire career, he has specialized in the easiest thing to do, that is to find fault. First elected as a Liberal in 1949, instead of contributing to the constructive effort of the administration of which he was a part, he engaged in fault-finding and later joined the other party. Having joined the Nacionalista Party, he was given one specific task to do after the election of 1953, which was to negotiate a revised bases agreement with the United States. It is a matter of record that nothing came out of it. President Magsaysay was so disgusted with his performance that relations between the President and him became strained. Later he went back to his favorite activity of finding fault with the administration of which he was a part until he was expelled by the Nacionalista Party. Running for reelection as senator in 1959 as a critic of the administration, he was repudiated by the people.

In 1961, his old party, the Liberal Party, picked him up from his defeat by making him Vice-President, hoping that time, age, and experience would have mellowed him enough to enable him to engage in constructive activity since there was so much to do for our afflicted nation. The Liberal Party had hoped that he would have outgrown his flair for simply fault-finding and that he would do something concrete and constructive.

As Vice-President and secretary of foreign affairs, he was assigned to handle five specific matters, namely:

1. To handle the 1962 Muslim pilgrimage to Mecca;
2. To handle the solution to the problems of the 2,700 overstaying Chinese aliens;
3. To handle the stabilization of Philippine-Japanese relations, with specific reference to the pending treaty of Navigation and Commerce;
4. To handle the preparations to meet the termination of the Laurel-Langley trade agreement with the United States by 1974; and
5. To handle the Philippine claim to Sabah (North Borneo) and the related Greater Malayan Confederation project.

Of these five matters entrusted to his hands, the first was a complete fiasco. On the second, he did nothing. On the third, he accomplished nothing. On the fourth, he did nothing. On the fifth, he was so evasive that the Administration had to ask Undersecretary Lopez to file the claim to Sabah with the British and when the decisive summit meeting of the three Malay States was to be held, he evaded the responsibility and quit his job unceremoniously.

Elected by the people in 1961 to help the Liberal Administration in solving the problems of the country, he ran away from this mandate of the people and returned to his habitual activity of fault-finding.

The Vice-President, indeed, is a classical example of a public official who is adept at fault-finding but who shies away from important responsibilities. In this connection, it should be mentioned that he is such an expert at fault-finding that he painted in September as black the same administration which in July he described as white.

The Vice-President, while adept at fault-finding, has himself unwittingly confessed to a lack of the basic quality required for dependable and constructive action. In his speech in Plaza Miranda, he asked for support of the administration and for the eight Liberal senatorial candidates. Now he claims that he made a mistake in that speech and asks the people to vote for the eight Nacionalista candidates. Recently, he said in another speech that he made a

mistake in running for Vice-President with me in 1961. Now, how can the people depend on one who makes so many serious mistakes?

Since the opposition Nacionalista Party seems to have adopted the Vice-President as their leader, the opposition party thereby shows that they, too, have nothing constructive to offer to the country and that they pin their political future on the Vice-President's mastery at fault-finding.

In this situation, I submit that if the people wish to have their problems solved and their lives improved, they must necessarily support the Liberal administration which has a concrete and constructive program and which it is implementing with steadily beneficial results.

ACTION VERSUS FAULT-FINDING

This election involves a choice between making the country move forward through decisive actions or allowing the nation to stand still. In this connection, we recall the time when President Theodore Roosevelt took decisive action to have the Panama Canal built and completed for the United States. Asked about the bitter criticisms that were being levelled against him by the opposition in the United States Congress, President Roosevelt answered: "It is a choice between action and criticism. If I heed the criticism, this canal will not be built in fifty years." If criticism had prevailed over action, the canal would not have been built, and this might have been fatal to the security of the United States in the last two world wars."

What is important for the people who are saddled with difficulties inherited from years past is performance rather than criticism and fault-finding. Realizing this, we are happy to face our people and say that although only one year and nine months have passed out of our four-year term and despite the obstruction of the Nacionalista-controlled Senate, our Administration has worked so hard and so faithfully that our performance has benefited our people and has accordingly elicited the commendation of non-political sources here and abroad.

ADMINISTRATION RECORD

Here, we quote the recent statement of Dr. Carlos P. Romulo, president of the University of the Philippines, on the performance of the Administration as follows:

"In introducing you, Mr. President, to our constituency, I would like to cite five important facts:

"First, you abolished controls in the face of predictions that such a step would be disastrous to the country. That your decision was a wise one is shown by the fact that today the peso is stable, a factor which is crucial in the soundness of our economy.

"Second, very early in your administration you launched the socio-economic program long needed by the country, and, today, we see the program contributing directly to the amelioration of the lot of all our people.

"Thirdly, you launched a moral regeneration campaign, striking hard at graft and corruption, and running tirelessly after the big fish and the small.

"Fourthly, you demonstrated exemplary diplomacy in bringing about the recent Summit Meeting and the emergence of Maphilindo. This summit conference will go down in history as one of the greatest diplomatic triumphs of our Republic.

"Fifthly, it was your persistence and determination that made possible the enactment of the Land Reform Act, a milestone in the evolution of our common man from the slavery of tenancy to the freedom and security of a land-owning farmer, thus ensuring the stability and permanence of our democracy.

“These five achievements in the long tomorrow will be recorded by posterity to your everlasting credit.” (*The Manila Times*, October 11, 1963.) Abroad, we quote the most recent of a series of commendations which have been written about the performance of our Administration in the economic field as follows:

“NEW YORK, October 8—(AP)—International Trade Review, a leading American magazine on foreign commerce, says that in the Philippines has been found an ‘overall picture that is exciting bankers and businessmen from many parts of the world.’

“The publication, one of the United States’ recognized experts on finance, said that this year Manila’s heavy influx of business visitors “is strictly for business.” “

” ‘Although North American business visitors dominate the statistics, the Europeans, other Asians, and even some from South America are arriving in increasingly large numbers,’ it said, adding:

“ ‘That ingredient is the story of dynamic progress and it is dramatically visible wherever you go. . . .

” ‘It all began in early 1962 when President Macapagal unshackled the economy by dropping the burdensome controls on all phases of business . . . the government skillfully handled the transition from a stultified economy to an era of free enterprise.’ ” (*The Manila Times*, October 9, 1963.)

Now these are assessments by competent authorities. We ask our people to judge us not on the criticisms of the opposition and other disgruntled sources but also on the assessments of competent and authoritative observers of our national life.

NEED FOR LIBERAL SENATE

It is my conviction that the success of the Administration’s socio-economic development program requires that the Administration party should have a majority in the Senate and in the House of Representatives. This is a requirement in a representative democracy like ours. It is required for the country that the Administration should have a majority in both houses because it is the one responsible for the conduct of the people’s affairs subject to fiscalization by the opposition party. Fiscalization by the opposition party does not mean numerical control by the opposition party in either or both chambers, otherwise what will result is neither fiscalization nor check-and-balance but deadlock. The opposition party should be in the minority in both chambers so that after legislative measures are debated upon, with the majority taking into account the fiscalizing arguments and maneuvers of the opposition, the majority party will decide upon the enactment of the measures and their final contents commensurate with its responsibility as the one charged with the conduct of the people’s affairs.

A Liberal Senate does not mean that the dominant Liberal senators will just do the bidding of the President. The high quality of the Liberal senators and candidates assures against such figment of the imagination. What a Liberal Senate means is that with fiscalization on the part of the Nacionalista minority, the Liberal majority senators will assume responsibility for the administration to our people for the enactment of needed legislation recommended by the President in the form desired by the Liberals and not by the Nacionalistas. In this manner, the Liberal administration can be held fully responsible to the people for what it can accomplish and what it can not accomplish in accordance with our party system of government, because the Liberals would then have the authority corresponding to their responsibility. If the Liberal senators do not cooperate enough with the President, which can happen, the consequent failure of the administration will remain as a responsibility of the Liberal Party administration. With a Senate controlled numerically by the Nacionalistas, however, the Liberal administration not only has the slimmest chance of succeeding but the Liberal administration would still be asked to assume responsibility although the authority would be exercised by the Nacionalista majority in the Senate. This is the height of inequity and a misconception of the nature and usefulness of representative government.

Even in advanced democracies like the United States, numerical control by the opposition in either or both chambers of the lawmaking body is regarded as not conducive to the national welfare. It should be more so in the Philippines where politicians are more rabidly partisan in their outlook than in the United States. It is an anachronism in

government to expect responsibility from the Administration for the conduct of the people's affairs when the opposition by its superior number in the Senate can tie the hands of the Administration by withholding approval to measures desired by the Administration or by imposing provisions that would render ineffectual or unsuccessful the attainment of the purposes of the legislative measures.

We have seen these actually happen in the two congressional sessions in 1962 and 1963. Vital measures were not enacted such as the investment incentives law, a law to enable the President to guarantee foreign loans to private individuals as a means of raising much-needed capital and a law increasing the appropriations of the NAMARCO in order to reduce the prices of prime commodities. On the other hand, vital laws which were passed were loaded with provisions that rendered them ineffectual to attain successfully the objectives of the law. This is best shown in the RCA law which prohibits the importation of rice by the RCA even if the people should go hungry.

The problems of our people which we are called upon to solve under our administration are no less difficult than those confronted by previous regimes. Yet in all previous administrations, the administration party had a majority in both houses of Congress. Under President Quezon, a Nacionalista, the Nacionalista Party had a majority in both houses of Congress. Under President Osmeña, a Nacionalista, the Nacionalista Party had a majority in both houses. Under President Roxas, a Liberal, the Liberal Party had a majority in both houses. Under President Quirino, a Liberal, the Liberal Party had a majority in both houses. Under President Magsaysay, a Liberal turned Nacionalista, the Nacionalista Party had a majority in both houses of Congress. Under President Garcia, a Nacionalista, the Nacionalista Party had a majority in both houses.

If in spite of the majority that their party had in both House of Congress, these previous administrations encountered difficulties in solving the problems of our people, it would amount to a deliberate disregard of the people's welfare to deny to the present administration the same facility of having a majority in both Houses of Congress in meeting the grave problems in our day which must be effectively solved in order to give a chance to all the people to attain a better and happier life.

Under the administration of President Magsaysay although there were only four opposition men in the Senate as against eighteen Nacionalistas, in the senatorial elections of 1955, President Magsaysay successfully sought the election of seven more NP senators as against one opposition senator in order to help him further in his administration. In the election of 1959, in spite of the fact that there were twenty-one Nacionalista senators as against three opposition senators, President Garcia successfully sought five out of eight new senators in order to help him better in his administration.

With these precedents, to deny the appeal of President Macapagal for the election of the Liberal senatorial candidates in this election which will enable the Administration to have a majority in the Senate like all previous administrations, would mean singling out President Macapagal as the only President to be saddled by a Senate numerically controlled by the opposition, which would be contrary to the interest of the country and the welfare of the people.

For the good of the country, I therefore appeal to all good citizens in our people's interest to elect the well-qualified Liberal senatorial candidates as follows:

1. Senator Eulogio Balao, retired general of the Armed Forces. Bataan hero, conqueror of General Yamashita, fighter for the rights of veterans, their widows, and orphans;
2. Senator Ambrosio Padilla, fighter for public morality and for the Constitution to insure against the rise of dictatorship in our land;
3. Senator Rogelio de la Rosa, man and champion of the masses;
4. Rep. Gerardo Roxas, economist, son of President Manuel Roxas;

5. Juan Liwag, secretary of justice in my Cabinet, fighter against graft and corruption who, on my order, deported alien corrupters of public officials, the American Harry Stonehill and the Chinese Peter Lim;

6. Dr. Manuel Cuenco, administrator of economic coordination in my Cabinet, a physician fighting for the health of the people, particularly the children and women;

7. Tecla Ziga, social welfare administrator in my Cabinet, fighter for women's rights and the well-being of the unfortunate;

8. Cesar Climaco, administrator of economic coordination in my Cabinet, fighter for good government against all crooks in all parties.

With the election of these Liberal senatorial candidates, the Administration will have a majority in the Senate. Being thereby able to work with a majority in both houses of Congress like the other presidents before us, our people can count on us in discharging our responsibilities not only to push through our moral regeneration drive and our five-year socio-economic program for a better life for the people but also to solve in an effective manner the current problems like the problem of providing rice to our people and the general problem of prices.

CONFIDENCE AND COURAGE

It is of the essence of the presidential system of government that after an Administration has been installed for a specific period, it should receive the support of the people during its tenure for the execution of its program of government. It is in the next presidential election thereafter that the people will decide whether to continue supporting the party in power or shift its support to the opposition. To withhold support from an incumbent Administration during its tenure would put to waste the efforts of the Administration and the energy of the people to the detriment of the country's welfare.

To give undue credence to opposition criticism in the middle of an administration over and above giving a chance to the Administration to execute its program means destroying the program itself by denying to it the confidence that the people and the leadership should forge together to implement the program successfully. It was this mutual confidence and courage between the people and the Administration that helped to pull America out of its worst peace-time economic crisis in 1932 after it installed the administration of President Franklin D. Roosevelt. Let the ringing words of wisdom of President Roosevelt echo among our people in the midst of the moral degeneration and economic stagnation which our Administration has been elected to remedy:

"Confidence and courage are the essentials of success in carrying out our plan. You must have faith; you must not be stampeded by rumors or guesses. Let us unite in banishing fear. We have provided the machinery to restore our financial system; it is up to you to support and make it work.

"It is your plan no less than mine. Together we cannot fail."

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Speech of President Macapagal before the graduates of the First Training Seminar, Land Reform

**Speech
of
His Excellency Diosdado Macapagal
President of the Philippines
Before the graduates of the First Training Seminar, Land Reform**

[Delivered on October 24, 1963]

THE MOBILIZATION OF MANPOWER FOR LAND REFORM

IT IS MY privilege to congratulate the graduates of this, the first training seminar ever to be held in preparation for the launching of our land reform operations. In every sense of the word, the group I address today are the pioneers of an unprecedented undertaking. The program embodied in the Agricultural Land Reform Code is much more ambitious and much more comprehensive than any other land reform program ever attempted in our history. Its objectives cut deeply into our established social institutions; its underlying philosophy calls for fundamental changes in our agricultural society; and the resources it needs to carry out its aims are necessarily massive. I daresay that this land reform program will be the deciding factor on whether our country will rise to heights of prosperity in the future or whether we shall forever be burdened by the deadening weight of agricultural stagnation.

The land reform program represents the most important aspiration of this country today. It is an indispensable element of our country's development, and even of its long-run economic survival. I wish to emphasize before this group that while the rewards of success will be great, the costs of failure will be unthinkable. This defines the magnitude of the challenge that faces the government in implementing this program. It also defines the magnitude of the responsibility which men like you will bear as you carry on the operations of the program in the fields. This particular program was born of our impatience with the string of failures that characterized the programs of the past. Our task is not just to prevent it from going the way of its predecessors, but to make of it a triumphant success.

This also defines the decisive importance of properly organizing ourselves for the tasks ahead. Effective organization, or the lack of it, can make or break the land reform program. Social reform begins at home: before this government can place itself in a position to provide the requisite leadership for improving the lot of the Filipino farmer, it must first properly organize the agencies responsible for implementing this crucial undertaking. This is why we have placed a high stake in the preparatory job of the Special Committee on Reorganization of Agencies for Land Reform, which has been assigned the duty of designing the administrative machinery, determining the manpower requirements, and identifying the financial resources necessary to insure the success of our land reform operations.

The Agricultural Land Reform Code, we believe, substantially contains all the elements that must be provided in order to make the program succeed. But a well written law by itself cannot produce success. Its success depends on the men behind its implementation, from the highest executives all the way down through the supervisors to the field operators, and even to the accountants and clerks. It also depends on the outlook they have towards their mission and the effectiveness with which they cooperate with one another in fulfilling that mission. There is absolutely no place for petty bickerings or divisive personal conflicts among the people who will man the posts of the agencies engaged in land reform. The tasks ahead of us call for nothing less than the highest type of statesmanship among all the personnel of these agencies. It is the people, not the law, which can translate the Land Reform Code into a social triumph for the farmer. Success is the achievement not of statutes but of men.

I should like therefore to take this occasion to lay down certain major policies that will guide and govern the organization, the personnel, and the procedures of all the agencies engaged in the various aspects of land reform.

The first policy we shall follow will be to stay clear of the proven failures of the past, particularly in the matter of organization. One of the sad experiences of the government in attempting to put into effect the agrarian programs of the past was the fact that the operations of the participating agencies were in no wise coordinated with one another.

They did not represent a single, unified program of action, but a series of loose and independent departmental programs, which were not always going in the same direction, and indeed were often working in conflict with one another. Even the different bureaus within a single department have been known to ignore each other in their plans.

Thus, irrigation programs were not interlinked with agricultural extension programs or fertilizer distribution programs; the provision of credit to the farmer for these operations was never tied up effectively with supporting technical assistance to insure the productive use of the loan; the settlement of farmers were often in the form of pure physical transfers from one place to another, rather than the creation of complete communities, with all the facilities necessary for a viable human society. The wastes and even the miseries associated with this pattern of uncoordinated operations are social costs which our own land reform program must avoid.

This it can do by properly integrating all the agencies engaged in land reform. This involves a repudiation of some established stereotyped notions that have ruled over government organizational structures and procedures in the past. What it demands, first of all, is the effective consolidation of the five agencies directly assigned by the law to the implementation of the land reform program, and second of all, the integration into the operations of the program of all the agencies not explicitly mentioned by the law but which by the nature of their functions are significant to the success of the program.

As you know, there are five principal agencies given explicit mandate by the law to carry on various aspects of the land reform program. These are the Land Authority, the Land Bank, the Agricultural Credit Administration, the Commission on Agricultural Productivity, and the Office of the Agrarian Counsel. But the law also provides an integrating element for the operations of these five agencies. This integrating element is the National Land Reform Council. While in form there will be five institutions engaged in the implementation of the law, in substance there will be only one decision-making body, and therefore one program of operations to be carried out by the five. All the programs and policies will be forged in the National Land Reform Council. Whatever the regional councils and local project teams implement will be in accordance with one plan. Thus, every individual field personnel should always consider himself not as a member of the Land Authority or the A. C. A. or the Land Bank, as the case may be, but of a team whose work transcends the formal division of institutions and is subject only to the authority of the National Land Reform Council. The Council will be the sole forum for the threshing out of differences among the five agencies; what should emerge from the Council, and carried down to the field, are unified plans, programs, and policies. The personnel of individual agencies should see their role not as that of fulfilling the tasks of his individual institution, but of carrying out the job ultimately of the Council.

The five agencies, therefore, represent only a functional division of labor rather than a division of outlook. They shall not be watertight compartments but organic parts of one consolidated body.

In addition to these five agencies, there are several other existing agencies within the government whose work is directly related to the implementation of the land reform program. These are the Bureau of Animal Industry, the Bureau of Plant Industry, the Bureau of Agricultural Economics, the Irrigation Division of the Bureau of Public Works, the Presidential Assistant on Community Development, and the Irrigation Service Unit. These agencies are being instructed to orient their functions to the requirements of the land reform program; in other words, to consider themselves as an integral part of the forces which we are now mobilizing to fulfill the mission of the law.

The first major policy we have thus laid down so far refers to organizational structure and procedures. The second policy, which is equally important as the first, refers to the allocation of personnel.

According to the law, the personnel of the previous agencies that have been absorbed by the five bodies created by the Agricultural Land Reform Code should first be reassigned before new personnel are recruited. As of now there are nine thousand of these personnel who are eligible for assignment to one of the five new agencies. The overriding policy to be followed is this: each man will be assigned to a position for which he is best suited by background and by qualifications, regardless of where among the five agencies this position may happen to be. At the moment, these nine thousand people constitute one personnel pool, and they will presently be allocated among the five agencies. Their past positions and their past institutions will not in any way serve as a compelling element on their new assignment: what will matter most is their suitability for given positions anywhere among the five agencies. For

example, if a previous ACCFA employee is found suited for a surveyor's position in the Land Authority, he will be assigned to that position; if a previous accountant in any of the previously existing agencies is discovered to have the potentialities as a financial analyst in the Land Bank, he will be assigned to the Land Bank. The most important consideration is not that of previous titles or designations, but that of giving each man the opportunity to be at his best.

We are, therefore, cutting across organizational boundaries in the matter of personnel reallocation. The same will be true of our policies on salaries as well as on promotions. A uniform salary standard will be followed by the five agencies, so that one man will receive the same compensation as another man in another agency if they are both engaged in the same type of work. The same principle that govern personnel promotions in any one agency will govern promotions in all of the five. Moreover, in keeping with the policy of placing the most suitable men in the most suitable positions, the promotion of personnel will not be confined to individual agencies. Rather, inter-agency transfers will be a normal feature of the operations of these five institutions. Thus, there will be nothing to prevent a financial assistant in the Land Bank from being promoted to the position of a credit supervisor in the A.C.A. This policy is consistent with the philosophy enunciated earlier in this address: The policy that the formal lines separating these five organizations will not act as a barrier to their consolidation into one operating organism.

My dear graduates, I have taken this occasion to lay down the major policies which shall be followed in the organization of our agencies for land reform. These policies are imperative to the task of tapping the maximum capabilities of the people who will man the operating posts of the whole land reform program. They are also vital to the task of insuring that the government will be properly organized for the massive tasks ahead. I personally would like every man to submerge his personal inclinations and interests to the overriding requirements of making the land reform program succeed. I hereby personally appeal to everyone of these personnel to dedicate himself entirely to the mission that all of us are pledged to fulfill.

In this mission, the graduates of this first training seminar for administrative management will carry a special responsibility: the responsibility of leadership, of giving the proper guidance and impetus to the men who will be working under your supervision. I wish you God's blessings in your work. The land reform program is a solemn responsibility which we all share, a sacred debt which we owe to our farmers and to the generations that will succeed us. Let us be conscious of this responsibility and vindicate the government's desire and capacity to lift from the tenant his centuries-old burden, to increase the income of our rural families, to increase productivity of our farm, and thereby to promote the long-run prosperity of our country.

Congratulations again, and Godspeed.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal on Election Eve

Address of His Excellency Diosdado Macapagal President of the Philippines On Election Eve

[Delivered on November 11, 1963]

PROGRAM OF THE LIBERAL PARTY

TOMORROW we go to the polls. We are to exercise our privilege and responsibility as citizens of our Republic. When we cast our ballots our one and only concern should be the welfare of our people.

I will therefore refer frankly to the issue on which the expression of our sovereign power is humbly solicited. It is but proper, in the national interest, that these issues be clarified.

I will also refer to the main criticisms that had been publicly made about the administration. It is in the democratic affirmation of the freedom of the press and of expression that those criticisms have been made. That they are deceptive and unsubstantiated; that they are made without the corollary exercise of responsibility provides us an occasion to answer them and show to our people the truth that had been concealed in their airing.

The Program of the Liberal Party

In the previous national elections, the Filipino people elected me to head the nation and to be the spokesman of the Liberal Party on the basis of our party's program of government which the nation had accepted. In the months that the Liberal Party had been at the head of our government, we saw to it that this expression of trust of our people is protected and respected. Against the obstructionism of the Opposition, we endeavored to implement our program and carry out our plans and pursue our aims.

What is the guiding concept of the program of this Administration?

As I have sought to express on other occasions, we believe in the immediate necessity of continuing the Unfinished Revolution. This means that we intend to realize in our country what the Filipino people have in the centuries past been trying to achieve; what they had fought to establish within their own generation, and what they had previously tried to attain, to make as tangible realities for themselves and for their own children. Our people have always hungered for freedom; for greater opportunities; for equality; for a more meaningful term of their human dignity and a longer and richer context for their aspirations.

Unfortunately, these legitimate demands of life by the Filipino people had constantly been thwarted by historical circumstances. So that while the peoples of the rest of the world are already enjoying the benefits of their labors and struggles, our own people, through no fault of theirs, are still bonded in servitude.

The causes of this national misery and deplorable condition of the masses are various and complex; but they are traceable to certain conditions that still exist in our society which are the results of the perpetuated errors of past colonial regimes and the condonement that certain Filipinos themselves had given these errors in their effort to advance their own selfish interests to the detriment of the welfare of the masses. It was therefore with conviction and great concern that we decided to re-assert the rights of the greater number of the Filipino nation; the thwarted hopes of our historical struggles. It was for the national good that we must continue the Unfinished Revolution of our people. And it was in pursuance of these principles that the Administration was criticized. Let us consider these criticisms.

Let us first analyze the label of “dictator” that has been indiscriminately used in the current campaign. There is evident in such a charge a fundamental confusion involved in the concept of the Presidency. Specifically, we *confuse a strong executive* with a dictator. By operation of our Constitution, the chief executive is essentially vested with considerable powers. Our Constitution, in so many words, demands that the President must be a strong leader. We had such a leader in President Quezon, and the temper in Quezon’s time allowed charges of dictatorship also to be hurled at him. We understand this only too well today, now that President Quezon is no more and we think of him always with admiration and gratitude. The truth is that if the President does not exercise the powers vested in him by the Constitution, the country will have a weak President. A President faithful to the Constitution must of necessity be a strong President, a decisive and effective leader.

Conscious of my duties under the Constitution, I have exercised the powers that derive therefrom to the best of my ability. If we want a weak President for this country our recourse is quite simple: let us amend the Constitution. But I say that we have confused a strong executive with dictatorship, which is saying that my critics are confused in their concept of what my duties under the Constitution are. I hold the Constitution supreme, and I am bound by a solemn oath to defend it. I cannot, therefore, perform my duties other than in the manner the fundamental law of our land dictates.

This charge of dictatorship cannot hold. I would not be making every effort to work for the Party in these elections were I a dictator. I would not be interested in winning your support in these elections for a desirable panel of Liberal senators who will stand by to assist the programs that we have initiated if I were a dictator.

The administration constitutes merely the executive branch of our government. As such, its powers are defined by the Constitution of our Republic. While it is free to interpret its functions and act on what it deems within the sanctions of the Constitution, its actions can nevertheless still be submitted for review by the judiciary. This is implicit in the separation of powers which our Constitution provides.

It is indeed true that a few of the intentions of the Administration to implement its program needed by the situation and necessities in Philippine society have suffered certain checks from the judicial branch of our government the most recent one being the decision of the Supreme Court on the importation of rice.

But this decision, my fellow countrymen, has been upheld by the Administration itself. The Administration has abided by that decision, respected it, and made public its readiness to obey the interpretation of the Supreme Court. Where such a willingness to accept the reading of the law by the judicial branch of the government is publicly proclaimed, where the separation of powers provided by the Constitution is itself respected, there is therefore no attempt to override democratic institutions guaranteed by the law of the land.

Another issue with which the Administration is charged with dictatorial tendencies, is over the fact that some party members of the Opposition have decided to leave their own party in order to help the national cause by cooperating, rather than obstructing, the program of the Administration which the Filipino people have decided to adopt when they elected me President in the past national elections. Clever parliamentarians as the oppositionists claim to be, it never occurred to them that national collaboration, in trying to achieve general goals and prosperity, can only be shown as dictatorial by a twisted logic. Is it dictatorship if some members of the Opposition found their party itself bankrupt of any national concern and decided to deny personal and party interest in their patriotic commitment to help end the deplorable situation of the Filipino masses? Is dictatorship to be motivated by the unselfish aim of trying to effectuate for our people the enjoyment of basic things in life to which they had been so far denied?

The charge of dictatorship against the administration, therefore, is clearly without substance. It is mere rhetoric, being given in exchange for what actually is the concern of the administration to provide for the nation their basic necessity of bread and freedom.

Decontrol, High Prices, and the Peso

On January 28, 1963, in my state-of-the-nation message to the Second Session of the 5th Congress of the Philippines, I gave as the condition which has given rise to the problems impending the country’s economic growth

the “lack of financial sustenance arising from an anemic and unproductive economy.” To change this economic situation in the country, I made it essential for the government to accomplish three objectives, namely: 1) immediately restoring economic stability; 2) alleviating the plight of the common man; and 3) establishing a dynamic basis for future growth.

Pursuant to the first objective, the Administration lifted foreign exchange controls. In reaction to this, the Opposition blamed the Administration for the high prices.

Here, again, the Opposition has not been truthful. High prices are not traceable to decontrol as prices in general depend on a complex of factors, among which are the rise of population and the fluctuations in the world markets of the supply of commodities. As everyone of us will recall, these prices in the past administration were sky-high. What the Opposition has deliberately concealed is the fact that full decontrol which the Administration effected resulted in the unprecedented leap of export receipts by \$103 million over those of 1961, the import bill dropped by \$72 million surplus, and the international reserves increased by \$37 million; the incomes of the producers, farmers and exporters increased because of the higher peso value of their produce and exports.

Full decontrol paved the way for the establishment of a fixed par value for the peso and provided greater incentives to exports. This measure actually freed our peso currency from arbitrary assignments of its exchange value and allowed it to establish its own value in the free market. As a result, exporters of Philippine primary products have been favored by full decontrol in terms of increased profits and money windfalls, which likewise benefited their workers.

Unemployment

The Opposition has also made reference to the unemployment problem which I inherited from the past administration.

There is no effort to deny that unemployment really constitutes a critical problem for our people. The Administration is sincerely concerned over this and we have formulated several policies which could raise the level of economic activities of the nation and hasten economic growth and expansion through the Five-Year Integrated Socio-Economic Development Program. In the meantime, we have launched the EEA for immediate unemployment relief. The limited opportunities for our people are determined by the national economic status. The Administration is trying to overcome this, but the Opposition has constantly obstructed the adoption of policies that are aimed at enlarging the economic opportunities of the Filipino people.

My fellow countrymen, these are the main criticisms which the Opposition has raised against the Administration and I have clarified to you the truth of the issues involved. The other attacks are either too personal to merit my attention or too senseless to deserve a reply.

It is for us to consider, as against these criticisms, what has been achieved by the Administration, and what it is presently doing to advance economic welfare, enlarge the freedom of the Filipino masses, and provide the people bread and freedom. Let us go down to brass tacks.

The New Era and the National Reality

As I said, the Liberal Party was elected by the Filipino people on the basis of its program of reforms and on conviction that these reforms are valid; that they are addressed to the needs of the common people, as well as the demands of the nation in its confrontation with the larger issues and challenges of our times.

The Administration took responsibility of the government of the Republic at a time when the conditions of the national reality and the situation of the Filipino masses were most critical; the new position of Asia in world politics created revolutionary changes within the region, and as Asian nationalism sought to realize the aspirations and welfare of its various societies by continuing the Unfinished Revolution, our various nations were also faced with

problems inherent in a *status quo* that has failed to benefit from the advances in science and technology, that had long remained inert, allowed to continue in a condition of complacency, neglect, and a seeming imperviousness to the plight of the masses and the mounting problems of a new society. The great discrepancy between classes had created a situation whereby the misery of the many became a necessary condition for the opulence of the very few. Government action, therefore, was imperative in both restoring economic stability and the alleviation of the plight of the common man. These two conditions are related and reciprocal.

The Agriculture Code of 1963

Corollary to decontrol, and in order to achieve the other aspect of the Five-Year Integrated Socio-Economic Development Program which has alleviated the plight of the common man, the Administration formulated the Land Tenure Code aimed at abolishing tenancy and intended to accelerate the growth of our production capacity at a rate faster than the growth of our population.

It has been said that the Land Tenure Code is a radical program. It is radical in the sense that it envisions a great change in our economic relations and is ultimately intended to free the Filipino masses from economic servitude. The Administration feels it imperative that Filipino tenants should not merely be given just compensation for their labor or greater incentive to produce more: they should also be given rights to the land they cultivate thus restoring to our dispossessed masses the right to own property. It is pointless to be talking of civil liberties and freedom if the Filipino people are kept in bondage to absentee landlords; if their right to own property is not guaranteed, if the national wealth is not equitably distributed. The Administration, therefore, is trying to provide the Filipino people not only to have three square meals a day but, concomitant to that, the restoration of their inherent right to possess property.

What we must not forget is that we have passed the mid-point in the 20th century, and this is a century which has seen more progress than it has in any age in which man has lived. In law and philosophy, we have ceased to consider reality in black and white, so that is not a matter of master and servant, of king and follower, nor of landlord and peon. In economics, the advances have been great and the thinking revolutionary. In everyday living, there are the infinite conflicts and subtleties of modern existence. All of these we see, because it is our birthright to enjoy the best that man's thoughts and inventions can give. Life, therefore, in our century is a very complicated life indeed, and government will have to be a complicated affair. Your leadership for such a government demands sophistication and intellectual acumen of the highest quality. It cannot deal with trivial sentimentalism, with well-worn attitudes and outdated notions. It is this kind of leadership that we would like to give you—you who are the citizens of a free country, of a richly-endowed country.

Our Moral Regeneration Campaign

There are also two special considerations which you, as voters, will have to weigh when you fill in your ballots in the sanctity of the voting booth. You must elect the men who will strengthen and maintain our government by guaranteeing good administration. You must put into office such men as will keep your faith in government and through them improve our social order in such a way as to enable us to move towards the realization of our national destiny as a prosperous and peace-loving people.

To this end, early during my administration and with scarcely any help from Congress which, as I have mentioned, was hardly cooperative with your President, I thought immediately of launching another campaign—the moral regeneration campaign.

To achieve this faith in government, what precisely must our society see? Our citizenry must witness honesty in the exercise of public service. Secondly, the citizenry must be presented with manifestations that our country is well respected in the family of nations, and that the prestige of the nation is the prestige of each and every citizen.

Our Administration did not consider the decontrol measure as the only remedy to rampant graft and corruption as a curb to venalities of all kinds in public service, to selfishness and disloyalty in the line of duty. Decontrol was not designed as a cure-all. And so to instill honesty is one thing and to put it into effect is another one. I do not doubt

this in the least. My administration was the natural inheritor of the decay and decadence which had accumulated in the Nacionalista years. I knew that it would be a massive task, and I know that to so much as to get started, every single unit of the service should be counted upon for cooperation. I knew that big names and small will be involved and that the big names, in particular, will do everything in their power to exchange blows in the course of the severity of the campaign with those that will be fighting them. I knew that some of the small fry will even then continue to be swallowed by some of the big fish, and there was every reason for the small fry to remain indifferent and unconcerned because in the past no one has ever stood out to champion them.

With these precepts in mind, and with experience as our guide, and idealism as our star, we mounted this massive effort to instill once and for all a new spirit of rectitude, honesty and fair play in the government service. These were goals long indicated in the government set-up; these were goals long recognized by my administration. Our interest in launching this campaign was, therefore, both historical and contemporary in character. I have long believed that for the government to succeed as a democracy, the public servant must be a person beyond reproach. We instructed the Civil Service, therefore, to look into the venalities and immoralities among its members. My own eyes and ears were trained to assess information that directly reached me at Malacañang. I threw the doors of the Palace open to the common man so that he could come to me and discuss his plight and feel confident that something will be done about it. This Administration, in short, fostered, besides moral uprightness, new faith in the government, new faith in the leadership, new faith in the Office of the President.

Maphilindo

The response of the people to this program if heartening enough, needed a counterpart in the form of response from our neighbors in Southeast Asia—neighbors who traditionally have been familiar with our uninspired foreign policy, neighbors who thought that our economy was in a critical shape, that our local politics was a gambling game of sorts. In short, we had to do something to give the world an idea that our leadership was one to be respected, that our views ought to be listened to in the councils of the world and that we were determined to participate in all discussions about our own responsibilities as a nation in this part of the world. Thus came about the concept of Maphilindo, which has been long in the dream stage because, since Rizal's time, we knew that we had a role to play among our sister nations in this part of the world. The Manila Declaration is the product of the Summit Conference which transpired here a couple of months ago and which the world recognized as a diplomatic triumph of this country.

It is unfortunate that there are difficulties as yet to be resolved between our country and Malaysia in connection with the North Borneo question. What I want to emphasize at this point is that we have ascertained our position in this part of the world and our administration, in particular, has won the respect of the countries around us as well as those in the West. Heretofore, this was not possible and the reasons were various. I need not go into that in detail. Today, we have entered into a new era—an era of which every citizen should be proud because we have come into our own as a voice and as a personality in the family of nations, and particularly, in our own Asian neighborhood.

National Construction: The Politics of Change

The program of the administration is committed to the actuality of national construction, in terms of economic and integrity we enunciated a moral regeneration program, development, creation of greater opportunities for the Filipino people and the fulfillment of national responsibility in increased participation in the general activities in the Southeast Asian region. The stress, of course, is on the dignity of the common man as well as on a better livelihood for him.

Now, to achieve this concrete task of national reconstruction, what is needed is indeed a program of reforms. A Revolutionary Era such as ours in Asia at the present time demands not merely palliatives or measures which are aimed merely at temporary resolutions of critical conditions, but a truly continuing program that will no longer make possible the reversion of social conditions to the *status quo*.

The evils in the economic system and in the social fact in our country will continue to remain with us, if we do not adopt a bold and dynamic program of action with regards to those obvious errors in our politics, economy, and

society. Living as we are in a Revolutionary Era, we shall be misinterpreting the signs of our own times if we remain in the attitude of complacency or if we continue to regard national problems not with the end in view of their complete solution, but with the intention of offering temporary and brief conditions of relief. Not only must we welcome change in our country, but we must also be prepared to modify or wholly alter the structures of politics, society, and our economy if these are found to be the causes of the general misery of our people and the continued underdevelopment of our nation. Only such a well-intentioned program of government action can we logically pursue the ideals of our Unfinished Revolution.

And on this note we end our campaign, confident that we will merit your support. We therefore ask you to vote for the Liberal candidates.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Speech of President Macapagal at the State Dinner in honor of His Excellency, Heinrich Luebke President of the Federal Republic of Germany

**Speech
of
His Excellency Diosdado Macapagal
President of the Philippines
At the State Dinner in honor of His Excellency, Heinrich Luebke President of the Federal Republic of
Germany**

[Delivered at Malacañang, November 18, 1963]

PHILIPPINE-GERMAN ECONOMIC RELATIONS

WE ARE INDEED fortunate to have with us tonight distinguished visitors from Europe. His Excellency Dr. Heinrich Luebke, President of the Federal Republic of Germany, and Madame Luebke have honored us with their visit to the Philippines. On behalf of the government and people of the Philippines, I extend to them warmest welcome.

The development of the Filipino nation is, to a certain extent, parallel to that of the German nation, which grew out of the union of the small kingdoms in Western Europe. Before the coming of the Spaniards, the Philippines was a territory composed of several realms ruled by *datus* and *rajahs*. Today, the governments of both nations function in accordance with the precepts of democracy and share identical goals, that of realizing the popular aspirations for spiritual and material well-being. Those aspirations are being achieved by both peoples politically, economically, socially, and what is most important, peacefully.

The cultural relations between the West German and the Filipino peoples have been one of the most fruitful international collaborations. For the past few years, the two peoples have been able to cooperate in the establishment of a cultural exchange program under which cultural groups and students are exchanged between the two countries. These exchanges have helped strengthen the social and economic bases of the two nations. The Filipino people are grateful for the enthusiastic cooperation of the West German people during the centennial celebration in honor of Dr. Jose Rizal, the pride of the Malay race.

I recall with pleasure the official visit which Mrs. Macapagal and I made to West Germany in 1960 when I was Vice President. We were not only treated with consummate hospitality but I could discern a new interest in Philippine economic affairs. Economic Minister, Dr. Ludwig Erhard, now Chancellor, came out of a month-long convalescence from illness, to honor with his presence the reception for me on the occasion of which we discussed Philippine economic conditions and problems on which he evinced much interest. My visit to Germany was preceded by the German Trade Mission to the Philippines, the members of which have maintained their activities in promoting expanded economic contacts between Germany and the Philippines.

I am one of those who believe in the future of Philippine-German economic relations. The Philippines strives for industrialization and Germany is the most industrialized country in Europe. The Philippines also seeks economic relations with more countries aside from the United States in view of the approaching termination in 1974 of Philippine-American special economic relations. Due to German industrialization and to her espousal of democratic principles and lack of ambition for political and economic domination of other nations, many Philippine political and economic leaders contemplate with favor the rich prospect for Philippine-German economic relations that could be extensive in scope and of considerable profit and benefit to both countries.

Indeed, the Philippines and Germany have auspiciously embarked upon a broad program of economic cooperation, the framework for which is embodied in the technical assistance agreement between the two countries and exemplified by the capital aid of 40 million German marks committed by the German government to the improvement of our inter island shipping.

On the private sector, tremendous strides have been made over the last two years toward intimate Philippine-German collaboration in commerce and industry. Such progress is reflected in the marked improvement in the volume of Philippine-German trade, and underlined by new commercial and industrial enterprises jointly launched by Filipino and German nationals.

It is noteworthy that technical assistance projects have been favorably considered by the German government in the pursuit of its program of technical assistance for the Philippines even while the agreement is awaiting ratification by the Philippine Congress. We are gratified that the capital aid scheme is being pushed through with vigor by the German government. These evidences of goodwill and friendship have been noted by our people with deep appreciation. We might pride ourselves on the fact that the capital aid and technical assistance programs are both keyed to the socio-economic development program of the administration.

Thus, the historical and ideological ties that bind our two peoples have been considerably reinforced by the bonds of economic cooperation and trade that go a long way toward imbuing our common way of life with muscle and sinew. The Philippines and Germany are, in a deep and abiding sense, not only old friends but allies in the cause of democracy and freedom.

Excellencies, Ladies and Gentlemen, I, therefore, invite you to raise your glasses and join me in a toast to the continued good health and success of His Excellency, Dr. Heinrich Luebke, President of the Federal Republic of Germany, as well as to the happiness and prosperity of the German people.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Speech of President Macapagal at the farewell banquet given by the President of the Federal Republic of Germany

**Speech
of
His Excellency Diosdado Macapagal
President of the Philippines
At the farewell banquet given by the President of the Federal Republic of Germany**

[Delivered in Manila, November 22, 1963]

**NEW BOND BETWEEN GERMANY
AND THE PHILIPPINES**

LET ME thank you in behalf of Mrs. Macapagal and of my own for this delightful and sumptuous dinner. We regard this occasion as a testimonial of friendship and goodwill toward us and the Filipino people.

During your visit, you have impressed us with the warmth of your dignified personality, your sense of humor, and the massive intellectual penetration that you have displayed over a variety of state matters of domestic and international import. Likewise, Madame Luebke has charmed our people with her graceful friendliness, candor, broad knowledge and mental endowments. Abundant evidence of the friendship and admiration you have won for yourselves and your country is visible on every hand. So while your visit was brief the delightful memory of it shall be long and ineffaceable. Your visit and the impact of your personalities have contributed to the forging of a new bond between Germany and the Philippines.

It may, in fact, be said that your coming to the Philippines has brought about a new era of vast understanding and promise in German-Philippine affairs, particularly with respect to economic cooperation between our two countries, the basic structure of which has been happily established in the German-Philippine agreement on technical assistance and the German capital aid for Philippine interisland shipping.

Your statesmanlike pronouncements on the struggle against communism and Sino-Soviet imperialism, which have uniformly underlined our common stakes in the ideological conflict that continues to engage the energies of peoples the world over, have served to reinforce the ties that bind your people and mine as free men. I fully share your hope that Germany and the Philippines may continue to give a good account of the rule of law to which our nations are wedded to the end that, at their respective exposed positions in the struggle between democracy and communism, they may contribute steadily and increasingly to the ultimate triumph of our common way of life.

We take heart, Mr. President, from your generous assessment of the progress we have attained in the fields of education and public health, and we wish to assure you that the Filipinos are cognizant and appreciative of the help your government has extended to us in such fields. The scholarships you have granted to Filipino students, the training program you have instituted for the benefit of Filipino trainees, the aid German foundations have given to Filipino students and professionals, and the means you have provided for educational and cultural research have contributed significantly to the sum total of such progress.

In the implementation of our Five-Year Program, we shall place great reliance on the help of friends such as Germany, availing to the utmost of the benefits of German technical know-how and capital. In this regard, it should be stressed that the crowning virtue of German capital and know-how is that they are free from the taint of imperialism.

We have reached a point in German-Philippine relations where we can look back to the past with satisfaction and pride and look to the future with keen anticipation and confident hope.

I invite you to raise our glasses to the health of President and Madame Luebke, to his conspicuous achievements, to the enduring happiness and well-being of their great people, and to German-Philippine amity and understanding and partnership.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Radio-TV Speech of President Macapagal

Speech of His Excellency Diosdado Macapagal President of the Philippines

[Delivered on November 23, 1963]

ONE TASK AHEAD FOR ALL

BEFORE I proceed with my scheduled speech on the last elections, I would like to state that “the Filipino people join the world in mourning the death of President John F. Kennedy.” President Kennedy’s assassination is an incalculable loss to the United States and a blow to Democracy. He gave new firmness in the struggle against Communism and in the advance of freedom and equality as a way of life for all mankind. The hand that snuffed out his life struck not at him alone but at the vitals of Democracy itself because it was the hand of intolerance.

In his death, John F. Kennedy was a martyr to the cause of human liberty and equality. His labors and martyrdom should invigorate the resolve of all fighters for and lovers of Democracy everywhere to carry on the global crusade to attain freedom, equality, and a dignified life for all men.

The conduct and outcome of our recent elections did justice to the reputation of our Filipino nation as a vibrant democracy here in Asia. It was conducted peacefully as a whole, and more than ever before under the prime authority and responsibility of the Commission on Elections with the cooperation of all officials.

The Philippine Constabulary discarded its previous poll activities such as the unofficial canvassing of returns and confined itself to such duties as the Comelec deputized it to do and to the maintenance of peace and order. The campaign was generally conducted by both parties and the candidates at less cost than previous polls. These are salutary trends in the conduct of our national elections.

On the result, four of the eight senatorial seats went to the Liberal Party; forty-two of the elected fifty-six governors were Liberals; eighteen of the thirty-one city mayors pertained to the LP; and an even more overwhelming LP majority was registered among municipal mayors, vice-mayors and councilors.

Some quarters have interpreted the election result, particularly the four-to-four senatorial outcome, to mean that the people have withheld their judgment on the LP administration. We beg to differ.

We submit that these results indicate an endorsement by the people of the administration’s moral, economic and social programs and the electorate’s conformity to give the Administration the institutional means to carry out its program.

The crucial issue in the last election was control of the Senate. Upon my election in 1961, I was the first President in our history to be handicapped by opposition control of both the Senate and the House of Representatives. After vainly working for a nonpartisan approach to the nation’s problems, I was constrained to seek Liberal Party control over the two chambers. These efforts succeeded in the House but failed in the Senate.

This was the situation obtaining when the 1963 elections were held. The Liberal Party went into the polls to win party control of the Senate while the NP fought to retain its control over that august body.

It will be recalled that both parties aimed at a six to eight result in their favor. The NP aimed at a minimum of six because this was the minimum victory that would give them an NP control of the Senate, which was the crucial issue and goal of their campaign. Although the election of four LP senators constituted a victory, the LP aimed at a minimum of six because of the understandable desire of any party to strive for the maximum success possible.

At the time of election, the NP had five outgoing senators and the LP had three outgoing senators. To maintain the status quo in political strength in the Senate or bring about "a tie," the NP were called upon to elect five senators and the LP to elect three senators to replace their outgoing members in the Senate. In electing only four instead of five senators, the NP lost and diminished in strength while by electing four instead of only three, the LP won and gained in strength in the Senate.

An objective and prestigious observer, Quijano de Manila, in the *Philippines Free Press* of November 23, 1963, has expressed the popular verdict succinctly in the following words:

"If this year's elections are regarded as a national contest between the President and the Opposition, which is how the campaign projected the fight, then the most that can be said, if the score stays at 4-4, is that the NPs did not win it. Their basic argument was that the people should not, for their own good, give the President a majority in the Senate. It is, therefore, immaterial whether the LPs win by a sweep or by 5-3 or only end up in a tie. As long as the LPs get a Senate majority, even if only by one vote, then the NPs have lost, because the people will have given the President what he asked for and rejected the arguments of the Opposition.

"Since all the other issues, from high prices to rice queues, got tied up with this question of whether or not it was safe to give Macapagal a Senate majority, the people, if they give it to him, can be said to have rejected all the other issues too, by giving the President a vote of confidence. For though 4-4 is hardly an impressive score, it must still be regarded as a vote of confidence, since it will mean that the people do not believe that an LP Senate, which they decree with a 4-4 score, will bring on the death of democracy, the horrors of dictatorship, harder times, higher prices, more rice queues and more ax murders."

It will be recalled that after the Liberal presidential victory in 1949, the opposition Nacionalista Party won all the eight senatorial seats in the 1951 election. That the opposition Nacionalista won only four of the eight seats in the 1963 poll after the Liberal presidential victory in 1961 is both a clear LP victory and demonstration of maintained and adequate popular support for the LP Administration.

A detail in the senatorial election that we cannot resist taking note of is the defeat of NP candidates who assumed a general anti-administration posture.

On the other hand, the NP senatorial victors, Tolentino, Diokno, Puyat and Ganzon, are administration critics who have not assumed a general anti-administration posture but have attacked the Administration on specific matters. This would indicate that our people prefer concrete criticism against the Administration rather than general animosity and the name-calling hurled at the Administration.

Another thing worth mentioning is that the LP senatorial winners were those who noticeably upheld the Administration against opposition attacks. Roxas maintained that the Administration was correctly concentrating on the economic problems of the people like rice and prices. Padilla's thesis was that there would be no dictatorship under the LP administration. Liwag's position was that the LP Administration protected the country's interest in the Stonehill-Peter Lim affairs. Ziga maintained that the Administration had done excellently in promoting the social welfare of the people. Their election may be taken as reflecting satisfaction of our people over the Administration's efforts for their welfare.

In the 1961 elections, the LP won the national elections but lost in the congressional elections. The LP won the presidency, the vice-presidency and six Senate seats on the national level but the NP won seventy-five per cent of the congressional or local seats. It is significant that in the 1963 polls, the LP won the election both on the national and local level.

It will be recalled that in the 1959 local elections, the opposition Liberal Party dislodged Administration Nacionalista governors from power in eighteen provinces, thereby indicating a pro-opposition trend on the part of the people. In the recent 1963 polls, it was the Administration Liberal Party which dislodged oppositionist Nacionalista governors in thirteen provinces, thereby indicating a pro-administration trend on the part of the people. The thirteen provinces in which Nacionalista governors were dislodged by Administration candidates are

Pangasinan, Bulacan, Mountain Province, Ilocos Sur, Cebu, Leyte, Samar, Iloilo, Zamboanga del Sur, Surigao del Sur, Masbate, Marinduque and Batanes.

On the local level, the most significant was the victory of the LP local candidates in major East Visayan provinces. The East Visayan region has been traditionally the bailiwick of the Nacionalista Party. With the election of LP governors in Cebu, Leyte and Samar, the major provinces of East Visayas, the opposition is now confronted with a political problem that defies solution.

On our part, we feel a sense of personal satisfaction that with the destruction of the long-entrenched NP machines in Pangasinan and Bulacan, our Central Luzon bailiwick consisting of Pangasinan, Tarlac, Nueva Ecija, Pampanga, Bulacan, Zambales and Bataan has for the first time become a solid LP phalanx.

Indeed, in terms of personal political support, the 1963 poll results which brought an LP landslide in the local level indicate a more favorable support than the 1961 results. This is a valid conclusion despite the fact that in 1961 six LP senators were elected while in 1963 only four LP senators were elected. The difference is that in 1961 we were a candidate while in 1963 we were not a candidate, considering that in our political career whenever we were a candidate our personal showing was always higher than that of the rest of our party. When we ran for the first time in 1949 for Congress our majority was the biggest uncontested majority in the country. When we ran for reelection in 1953 against the Magsaysay-NP national landslide and the other LP candidates lost in our province, we won in all towns in our district except in the town of our opponent. When we ran for the Senate in 1955, we topped all LP candidates, including four incumbent senators. When we ran for Vice-President in 1957, we won despite the defeat of our presidential, six senatorial and seventy-two congressional candidates, and we obtained more votes than the winning president. When we ran for president in 1961, we won and obtained the largest number of votes among all candidates, with our vice-presidential and six senatorial candidates despite the defeat of seventy-five of our congressional candidates.

We are gratified at the election results because frankly, we were prepared for an unfavorable outcome. Why? Because we knowingly adopted policies that were good for the people, although not politically popular. Our criterion was to do not what was popular but what was good for the people. From the inception of our Administration, we made this norm of action clear.

Thus, in my inaugural address, I said:

“The beneficent effects of some of the concrete steps that we take may not be immediately evident; what may, in fact, be instantly visible will be adverse but transitory repercussions that in time will clear the way for the final favorable outcome. In the interludes of anxiety, we shall need the trust and confidence of our people.”

In my first state-of-the-nation message to Congress on January 22, 1962, I also said:

“Our people must be ready to undergo sacrifices. The prospect of better times are not likely to be realized without the imposition of self-discipline and the assumption of certain social responsibilities.”

In my second state-of-the-nation message to Congress on January 28, 1963, I likewise said:

“To push through to advantage the gains made in the Nation’s economic effort, we are called upon to adopt implementary measures that are unprecedented in magnitude. Half-measures will not now suffice. Half-measures will only endanger the success of the critical endeavor to attain an adequate degree of economic and social progress which our people urgently need and which, if we act courageously and patriotically, is now within their reach.

“It is a supreme challenge to our courage and patriotism because some of these measures may not be momentarily palatable to the very people whom we seek to serve. The remedies are of the nature of medicine which is not instantly agreeable to the patient but which he must take for his good. They are measures which, heretofore, being politically disadvantageous, we should not even consider. So this is the time of test which will show who among us

are sheer politicians and who are sincere public servants and statesmen. The test will be whether one will refrain or will courageously support those measures needed for the success of our economic program and for the good of the economy and the country but which may not be instantly popular with segments of the people. For those who are faithful to the country and those who are sterling leaders of the people and statesmen, there can be no choice except to support what is needed for the attainment of our goal of rapid economic growth and social progress despite momentary disapproval from the public. To the true public servant and the statesman, there is only one duty—to do with courage not what is popular but what is good for the people.”

Among the sound but politically unpopular policies that we adopted was decontrol which contributed to the rise of prices. It was to be expected that the people would take the rise of prices against the Administration. The opposition shrewdly had a field day capitalizing on this although in the end our people did not allow themselves to be swayed by this rather unfair issue.

Another was the moral regeneration program which did not spare the big fishes in our society. This provoked the enmity against the Administration of powerful figures who count with a large political following in the country.

Still another was the passage, close to the election, of the land reform law abolishing tenancy. While it will take time for tenants to appreciate the value and benefits of this measure for them, it immediately provoked the opposition of powerful landowners who exert influence and considerable measure of control over politics and politicians in some sectors of the country.

It was with the knowledge that the Administration had adopted measures good for the people though politically unpopular with the people that I took active part in the campaign myself. Apart from helping the LP senatorial and local candidates, part of our effort was to assure the masses of our people that everything was going to be alright. In the face of the opposition onslaughts which capitalized on every conceivable issue, true or false, in order to arouse disillusionment and even hatred among the people towards the Administration, the election results show that we succeeded in the endeavor to reassure the people that this Administration is truly concerned with their welfare.

In bringing their case to the people for a strong opposition, the opposition party attempted to foist the outrageous line that I was planning to be president for life. This is ridiculous. No man can be president for life in our country because we are all lovers of freedom. Any person who would seek to be president for life would be stopped immediately and effectively the moment he or his supporters make such fantastic proposal.

While giving the LP control of the Senate in accordance with our plea in the campaign, in voting for some NP senators, the people showed an understanding of the needs of a healthy democracy which shuns an overwhelming concentration of political strength in one of the two parties.

In accordance with the people's apparent inclination, we shall assist in giving emphasis to the ways of freedom in the pursuit of the reforms that we hold to be desirable for the well-being of our people. We share the faith in a virile democracy and, in harmony with the successful discharge of our responsibility to our people under the Constitution and the rule of law, we can be counted upon to act in concert with other leaders in insuring the maintenance of democracy in our land.

Indeed, it was in the interest of democracy that we have done nothing about the strong criticisms against us and our administration except to answer them. While hoping for more accuracy and sobriety in criticism, we do not believe in suppressing criticism. In time, the intensification of a sense of sobriety and fairness will improve the quality of criticism. For all its inaccuracies and even malice, it is preferable that criticisms be uttered than withheld or suppressed. Wrong and malicious criticism can be overcome by answering it and exposing its inaccuracy and malice. Withheld or suppressed criticism denies to the leaders of the nation the full opportunity to assess the thinking, feeling and temper of the various sectors of the nation, thereby detracting from the wise handling of the people's affairs and from the merits and efficacy of democracy.

Having achieved our operational goal of an LP Senate in the 1963 poll by the will of the people which we sought since the start of our administration, we are now ready to set aside politics and tackle the nation's problems on the basis of the widest solidarity.

Our people have spoken. They have encouraged the administration to proceed with its program and given it the institutional means for the prosecution of the program, with ample fiscalization from the opposition. Thus we are guided by the clear and refreshing voice of our people. Let us proceed to work together on the constructive task of building the moral, economic and social progress of the country, with a minimum of politics and a maximum of non-partisan dedication to the welfare of the nation. Let us set aside politics and wrangling. There will be time for this according to the schedule prescribed for the expression of our people's judgment on the acts of the nation's leaders and officials. Until then, let us all join hands in formulating and implementing the proper and effective solutions to the problems and difficulties of our people.

From the sentiment and will manifested by the people in the election, the task to which in unity we should consecrate ourselves should include, firstly, the enactment of measures to implement vigorously the five-year socio economic program and secondly, in the course of the implementation of the program, to adopt effective measures to prevent further rise in the prices of prime commodities. In the forthcoming congressional session, the House and the new Senate should be prepared to undertake this vital task. We are prepared to do our part.

In conclusion, we thank our people for giving us victory and their continued confidence. With God's guidance, we are resolved not to fail them in their faith.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**Speech of President Macapagal at the Bonifacio Centenary Ceremonies Speech
of
His Excellency Diosdado Macapagal
President of the Philippines
At the Bonifacio Centenary Ceremonies**

[Delivered by Acting Executive Secretary Salvador L. Mariño at Luneta, November 30, 1963]

BONIFACIO AND THE UNFINISHED REVOLUTION

WE PAY homage today to a common man whose uncommon vision and heroism catapulted him to unusual heights of glory and fame. This great Filipino—Andres Bonifacio—triggered the first massive movement that sought to emancipate our country from political, social and economic servitude and to give her a place of dignity and honor unfettered by colonial rule.

The ceremonies taking place today, marking the climax of the Bonifacio Centenary, recall to our mind the crucial period in our history when the fate of our beloved nation dangled precariously between prolonged bondage with its concomitant miseries, and a revolution with all its risks and pains. We recall today—even as we mourn the death, just a few days ago, of a great American President—the life of a common man who led the nation, long conditioned to the evils of colonial rapacity, toward political stability and self-rule.

The period which placed Andres Bonifacio in the saddle of national leadership was indeed trying and crucial. Centuries of colonialism had enabled a foreign power to establish a powerful hold on the country and determine its destiny. So tight was the colonial grip on the Philippines that it seemed any effort to free the nation was an impossibility.

The strong opinion against a libertarian movement was not only vehement and discouraging but fundamentally logical. Opponents of the revolution argued that, pitted against well-trained and experienced enemies, the Filipino insurgents with their bolos and bamboo spears, would end up as human sacrifices in a mad and suicidal venture. It was not strange, therefore, that the Great Plebeian and father of the Katipunan was haunted by the grim fear that the predicted annihilation of the Filipino revolutionaries would become a reality.

The ominous tension of the period broke up with the discovery of the Katipunan on August 19, 1896. Consequently, the painful and agonizing task of deciding that war had to be waged, fell on the shoulders of Bonifacio. The delicate situation demanded first-class leadership; there was no time to vacillate, no time to hedge. And the great visionary knew this. He realized that any further delay in the revolutionary program would result in unto sufferings for his fellowmen, the countless deaths of Filipinos without the benefits of defense. He realized quite clearly, too, that any disruption in the war time table would bring about more uncertainties. And so he had to unite his men. He had to provide the necessary leadership, to lead revolution during the darkest hour of the country. Any other person with less determination, with inadequate leadership qualities, without the rare gifts of a visionary, would have chosen to shirk from a war that could not be won from the point of view of all intellectual presumptions.

Bonifacio chose the bitter course of national resistance, and on that fateful day of August the 23rd, 1896, the historic Cry of Pugad Lawin reverberated throughout the country. From the subdued whispers of the revolutionists, the movement flared up into a deafening and stirring cry for freedom.

Faith in the common man, in the ability of a people to break centuries-old chains of bondage, was never so eloquently demonstrated as in the revolution initiated by Bonifacio. If our forefathers, under the inspired leadership of Bonifacio, had nothing but bolos, bamboo spears and other crude implements for weapons, they were sustained by their faith in themselves and their own courage.

Today, in our troubled times, we feel the resurgence of the same hope and faith that sustained the Filipino revolutionists in their struggle for freedom. Although the circumstances today are different from the circumstances

obtaining during the revolution, the ends sought are inextricably intertwined with the past struggle to emancipate the people from the throes of poverty, disease and ignorance.

The revolution waged by Bonifacio and his valiant comrades did not end in the battlefield. Its success was just the beginning of more work ahead, of broader and more complicated problems that called for clear understanding of responsibilities. Freedom from political domination was only one of the fundamental aims of the movement. As expounded by Bonifacio, Jacinto and the other leaders of the revolution, equally important and dominant were the objectives of the movement for social and economic emancipation. The Revolution culminated in our winning political freedom, in our unshackling ourselves from the political domination of a foreign power. But the Revolution did not end there. In fact, it has not ended. To this date we are continuing this unfinished revolution, waging it no longer in the battlefield but in the social and economic front—a revolution that is peaceful, without bloodshed, the prime objective of which is to lift our people from the morass of stagnation and dormancy to a life of prosperity, peace and plenty.

We are aware that today, as in the days of Bonifacio and the Katipunan, there are stirrings of skepticism, of doubt, of uncertainty in the ability of the present proponents of socio-economic development to succeed. But these are the same seeds of doubt that were sown and allowed to germinate during the troubled days of the Katipunan. Against all odds, against overwhelming opposition and prophecies of failure, the movement launched and guided by Bonifacio succeeded. It was able to turn the tide in its favor, so that in the end the prophets of doom and disaster were shamed and humiliated. Armed with nothing but unshakeable courage, unwavering faith in his people, and a far-ranging vision, Bonifacio demonstrated that the Katipunan, under his leadership, could succeed. The events bore him out for the movement succeeded; it led to the liberation of our country politically; we obtained freedom from colonial bondage.

But political independence is far from enough. It is not enough that we have become a sovereign nation, a country with a national identity. It is not enough that today we have the Filipino Flag waving proudly under Philippine skies to proclaim that we are free at last. The true meaning, the real essence of independence is rooted to something which is more fundamental—the happiness, prosperity and contentment of the people. And this can only be achieved and realized if our people are uplifted socially, economically, and morally.

It is the problem of social and economic development — the essence of freedom—which is one of the enormous problems that our Administration is committed to solve. Consequently we launched, immediately after we assumed the Presidency, a massive, aggressive five-year integrated socio-economic development program, a bold and ambitious program of action designed to provide economic and social betterment for our people, particularly those who are in the rural communities who constitute a majority of our population. Signs of the successful implementation of this program are becoming evident everywhere now that the groundwork has been laid, and we are confident that history and circumstance will work together to demonstrate to the whole world that we Filipinos could succeed in this endeavor because we have an abiding faith in ourselves and in our capacity to shake ourselves from the shackles of poverty.

An eloquent expression of this Administration's desire to institute and generate socio-economic development is the Land Reform Law. Notwithstanding rampant prognostications of failure and outright doubt, we launched this bold program of land reform in order to abolish once and for all the last verges of colonial tenancy system in our country, and to liberate small tenants from a life of perpetual vassalage and subservience to their landlords. We admit that this measure had been met with unpopular and even hostile public opinion fanned and kindled by certain vested interests, but the project had to be pushed through because small Filipino tenants had to be emancipated from years of poverty and misery.

Side by side with this massive socio-economic program is our drive for moral regeneration. We believe that morality is one of the cornerstones of a good society, consequently, we have made the development of moral integrity an integral portion of our over-all program. A people that is socially and economically strong must also be morally upright.

Today, my countrymen, as we observe the 100th birth anniversary of Andres Bonifacio, we recall to mind the Revolution he led so ably and valiantly. That revolution has led us to political independence, but our stature as a sovereign nation still remains circumscribed by the persistence of centuries-old conditions that prevent us from the fuller enjoyment of our patrimony.

The revolution of 1896, in a sense, remains unfinished. We have yet to achieve freedom from the shackles of an economy beset by inimical landlord-tenant relationship, which hinders us from exerting the full measure of our talents and energies. We have yet to achieve freedom from the darkness of poverty, disease, and ignorance. We have yet to achieve the primary conditions that would inspire and encourage our people to assume attitudes of purposeful determination, to participate actively in the dreams of our leaders, and to roll up their sleeves and dedicate themselves to a more active and voluntary share of nation-building.

Our unfinished revolution concerns us as individuals and as a people. It should stir us one and all just as the Spirit of 1896 stirred Bonifacio and his Katipuneros. Only then can the hope for the common man may become a reality.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

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Speech of President Macapagal at the opening of the ECAFE Conference

**Speech
of
His Excellency Diosdado Macapagal
President of the Philippines
At the opening of the ECAFE Conference**

[Delivered by Acting Executive Secretary Salvador L. Mariño
at the Luna Hall, Department of Foreign Affairs, December 3, 1963]

THE ECAFE'S MISSION

IT IS BOTH a distinct honor and a genuine pleasure for me to welcome on behalf of the Government and people of the Republic of the Philippines, the distinguished delegates to the ECAFE Special Conference on Asian Economic Cooperation. May your brief stay with us be not only fruitful but also pleasant.

It is hardly necessary for us to stress the exceptional importance of the work that you are about to initiate. Important problems affecting the lives and welfare of over a billion Asians await your decisions, and this may well mark a new course in planning the development of the ECAFE region.

The Special Conference on Asian Economic Cooperation marks a distinct milestone towards cooperative action among Asian countries in their efforts at economic development. It is indeed fitting and proper that this conference, which will decide whether the concept of regional economic cooperation will be transformed into dynamic reality, has been convened in Manila where it was originally conceived during the 19th ECAFE session held in March of this year.

We are now in this conference pursuant to Resolution No. 45 (XIX), adopted by the Commission in its 19th session, to seek and adopt measures that would accelerate the growth of economic cooperation in the ECAFE region. It is high time, I believe, that the developing countries in this part of the world exert joint and determined efforts to speed up the economic development of the region. Specifically this can be achieved by expansion of nondiscriminatory trade among the countries of the region through the removal of quantitative and exchange restrictions, the strengthening of our export trade with developed countries through joint action in the marketing of our primary exports, and by the development of the untapped resources, technical knowhow and manpower skills in the region.

This is the challenge that faces this assembly. You are called upon to draw a workable action program which will hasten the development of economic cooperation in the ECAFE region, on the basis of the report submitted by the Preparatory Meeting. Your primary responsibility, therefore, is to work out a course of action that will enable our people to enjoy the fruits of economic advancement at the earliest possible time.

Essentially, we are after *strength*. By strength we mean the possession, by our nations individually and as a community, of an effective capability to provide our peoples with the things that answer to their need and their clamor for a better life through higher standards of living. We are abundantly blessed with people and with natural resources but we are confronted a huge and monumental task of making our peoples productive and of utilizing our resources for the satisfaction of our people. We are all determined to banish poverty, ignorance, and disease—but we cannot help but be overwhelmed by the sheer enormity of the task.

This is why we have chosen to band together; this is why we are here today. This gathering is a testament of our firm belief that our countries within the ECAFE region can attain individual strength only if they strive for collective

strength. There is no other way. As single countries, partially isolated from one another and from others by the confusing entanglements of trade restrictions, we are crippled by our own limited markets. As suppliers of a limited range of raw materials, we fail to consolidate our policies and exploit whatever strategic advantages we have; instead we have always presented a fragmented posture before our better organized buyers in the more advanced regions of the world. And as consumers we have failed to patronize each other as much as we should.

The growing trend towards the formation of regional trade groupings and their proven efficacy in the continents of Europe and South America make it imperative for us to explore the possibility of solving, through joint action, our common economic problems. The record of cooperation in the region provides sufficient inducement for us to exert greater efforts toward the adoption of more positive regional action in the development of trade and industry. We have but to review our accomplishments in the fields of trade promotion, industry and natural resources development, economic development, transport and communication, tourist promotion and technical assistance to convince us of the wisdom of continuing and expanding jointly our economic endeavors.

The consolidation we seek is one that would strengthen the whole ECAFE region internally, and one that would fortify its position externally vis-a-vis the rest of the world. By breaking down the needless barriers that exist between our individual countries, we can expand our now fragmented markets into a region-wide market and serve as one another's buyers as well as one another's suppliers. We have come to realize that political boundaries do not define the meaningful economic units on which to base the policies and the development plans for the region as a whole. That this is now recognized by us is dramatically shown by the Mekong River Project. Here is a river basin, here is a valuable resource that cuts across the political boundaries of four countries but offers itself as an excellent natural base for a multi-purpose development project that, again, transcends the political individualities of the countries involved. In this connection, may we also point to the modest achievements of cooperation exemplified by MAPHILINDO and the Association of Southeast Asia (ASA).

It is this record of achievement in collective action that enables our tireless and dedicated Executive Secretary, U Nyun, to speak with such determination and conviction of the need for new arrangements to speed up the progress of economic cooperation in the ECAFE region.

These developments are concrete examples of what can be achieved if we stopped considering our political fences as economic fences as well. There is no reason why political individuality should be cause or occasion for economic isolation. The distinctness of our nations, of our governments, of our political systems, and of our cultures need not—and should not—serve as barrier to that solidarity that makes for economic strength. Even at this stage, our countries have a wide range of consumer goods to trade, industries to absorb the raw materials we sell, and capital equipment and technical know-how to help one another expand and diversify our agricultural and industrial output. But the building up of our regional strength by means of expanded trade and investment requires the facilitation of trade and distribution, and the facilitation of transfers of equipment, of technical personnel, and of finance among our individual countries. This is the rationale behind our present collective search for measures that would be mutually beneficial to our economies.

However, cooperation alone cannot be regarded as a panacea for all our economic problems. Collaboration is not the sole key to economic prosperity. It is an illusion to hope that it is so. Much more depends on the share each member is willing to contribute to collective enterprise; and the achievement of this regional solidarity may mean that eventually, some countries will have to face the understandably difficult decision of foregoing existing privileges.

As I mentioned earlier, there is another type of strength that we seek to develop. I shall call it our negotiating strength vis-a-vis the rest of the world. In spite of the triumphs we have achieved, there are still certain lingering and disturbing vestiges of our past colonial history from which we have to make a final and complete break: we are still, in some sense, at a disadvantageous position as suppliers of raw materials to the world's industries. As suppliers of certain strategic raw materials, our countries have engaged in ruinous competition with one another, in contrast to the cohesiveness and organized strength of our buyers abroad. Our very fragmentation constitutes our negotiating disadvantage.

There is a clear need indicated for the consolidation of our bargaining position with regard to the critical primary commodities that we produce. This consolidation requires, among others, the orderly harmonization of our production, distribution, and pricing policies, in order to strengthen our position as sellers and to avail of the best terms of commerce by which we, as a group, negotiate and trade with our customers. In the light of our status of being-less developed than our trading partners abroad, we cannot afford to weaken our posture by splintering ourselves into small units when we come to the bargaining table to face our well-organized friends.

Over the years of our close association in the ECAFE, we have acquired a wealth of information and experience which can carry us through towards the realization of the objectives of this association. Our objectives are clear, although the implementation may be difficult. However, I trust, that when confronted with a particularly difficult and perplexing problem, when hopes of compromise appear dim, you will recall the spirit of cooperation and amity which has ruled in previous conferences. I am sure that, imbued with kindred sentiments, you will be able to face your task with renewed confidence and enthusiasm.

Moreover, I feel confident that, on account of the developments that have led to this conference, we can expect this session to be successful and fruitful. I wish your conference the utmost success, and leave with you the sincerest hope that your discussions will eventually lead to concrete and lasting accomplishments.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Address of President Macapagal at the state banquet given by President William Tubman

**Address
of
His Excellency Diosdado Macapagal
President of the Philippines
At the state banquet given by President William Tubman**

[Delivered at Monrovia's Executive Mansion, December 8, 1963]

THE PHILIPPINES AND LIBERIA

I THANK you, Mr. President, for your generous and gracious words which I know have been addressed to my people as well as to myself. Your expressions of friendship and good will find ready response in us and in our countrymen, coming as they do from the leader of a nation and on behalf of a people whom we have long admired.

Liberia was among the first experiments in human liberation on the African continent just as the Philippines was the first in Asia. Your sturdy nation was set up as a free territory for the benefit of colored free men from America and as an example for all Africa to follow. As a colony struggling for independence and sovereignty, the Republic of the Philippines likewise became an inspiration for Asia, home of the overwhelming majority of the world's colored races. In your heroic struggle to protect your nation from the encroachments of colonial powers on three sides and in our own series of revolutions against two of the most powerful colonizing powers of their time, we have between us made pioneering and significant efforts to the decolonization of a great portion of the world. As a consequence of our humble origins we are also among the developing nations of the world. Both our countries are engaged in an economic revolution to transform our largely agricultural economies into well-balanced agro-industrial economies.

In addition to the historical and economic affinities and similarities of our two nations, we are also linked by our common possession of Christianity as a religion and our common allegiance to democracy as a way of life. Africa has many religions, with Christianity in the small minority. An islet as it were in a sea of non-Christian faiths, we find ourselves in a similarly unique position, for Asia too is an ocean of non-Christian beliefs.

It is not an accident that in the governing body of the world organization, the Afro-Asian bloc has developed as a powerful force. This bloc has the three-pronged objective of abolishing all forms of race discrimination, liquidating colonization of all kinds and in every place in the world, and promoting universal peace.

In the attainment of this objective, which is essential to world security, the sister republics of Liberia and the Philippines are united, and work shoulder to shoulder.

We in the Philippines believe that for their common well-being, the nations of Africa and the nations of Asia should have contact with one another and know more of each other. Both have undergone colonization by the white man and have recovered their natural right to liberty in this century. Both are struggling to escape from the poverty of the masses in which centuries of colonization have kept them. Their problems are essentially the same—difficulties that spring from the common problem of poverty. Their struggles are essentially the same—the rapid development of their economic resources in order that their peoples might achieve a higher life in greater dignity. Their handicaps are essentially the same—their lack of technology and the gap that the centuries have created between their backward state and the highly advanced progress of their former masters plus the lingering prejudices that compound the striving of the colored man to advance to a level of equality with all men.

Against these handicaps and prejudices there can be an effective measure. Africa and Asia must know each other so that Africa and Asia can act in unity to help one another in their problems and to put up a united front to protect their right to human dignity and progress against any force that seeks to delay the universal enjoyment of the equality of all men in a life of prosperity.

Finally, I now take the liberty of taking this opportunity to pay well-merited tribute to the President of this great nation, William Tubman. Historians have credited this administration which began in 1944 with the emergence of Liberia into a modern and progressive nation. A former Supreme Court Justice, President Tubman's first act was to align Liberia on the side of the democratic allies in World War II. Since then, his administration and Liberia have participated actively in practically all the common postwar efforts to bring about a new and united world.

In the words of one of your outstanding writers, Dr. Tubman has made of Liberia a modern forward-looking country.

As I have visited Liberia to convey to you the greetings of the more than 30 million Filipinos, I hereby extend to you, Mr. President and Madame Tubman, an invitation to visit the Philippines.

May I now ask you to rise and drink a toast to the great President of Liberia, Dr. Tubman, and to the prosperity and happiness of the people of Liberia.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Speech of President Macapagal on Hatred in a Democracy

**Speech
of
His Excellency Diosdado Macapagal
President of the Philippines
On hatred in a democracy**

[Delivered at the Manila International Airport, December 16, 1963]

HATRED IN A DEMOCRACY

MRS. MACAPAGAL and I thank you for this warm welcome that you have extended on our coming home. We are happy to be home after discharging one of the international responsibilities of our country. As your representative in the funeral rites of John F. Kennedy, President of the United States, we bring home to you the appreciation of the American people expressed through their new President, Lyndon B. Johnson, that once again in a moment of national anxiety, the Philippines, through the highest representative of our people, was at the side of the United States in consonance with the historic and extraordinary ties of friendship between our two nations.

Present at the funeral ceremonies were heads of states and governments from the four corners of the earth, including American allies in Europe such as President Charles de Gaulle of France, Prince Philip of the United Kingdom, President Heinrich Luebke of Germany, Queen Frederika of Greece, and King Baudouin of Belgium. There were heads of states from American allies in Africa, including Emperor Haile Selassie of Ethiopia. There were heads of governments from American allies in South America. From Asia, it was fittingly symbolic of the unexcelled ties of friendship between America and the Philippines that the highest-ranking dignitary from Asia among governments allied with the United States was the President of the Philippines.

My visit to America in her hour of sorrow could well be of benefit to our own people. The death of the great American President, John F. Kennedy, has aroused a national sentiment echoed in all parts of the globe, against the campaign of hate which was directed at President Kennedy and which moved the hand that struck him to a premature death at the height of his leadership. It is now realized in America and elsewhere that such a campaign of hate and the acts of violence generated threaten the very survival of democracy itself. If because of a campaign of hate and the acts of violence that it breeds, the President of a country, because of the demands of his personal security, is no longer free to move around in order that he may properly discharge his duty as the highest head and leader of the country, then democracy lessens its value and efficacy, and perhaps even end in its destruction.

In his funeral oration for the late President Kennedy, Chief Justice Earl Warren deplored the campaign of hate that led to the murder of the President of the United States in the following words:

“If we really love this country, if we fervently want to make this Nation better for those who are to follow us, we can at least abjure the hatred that consumes people, the false accusations that divide us and the bitterness that begets violence.

“Is it too much to hope that the martyrdom of our beloved President might even soften the hearts of those who would themselves recoil from assassination, but who do not shrink from spreading the venom which kindles thoughts of it in others?” (*Washington Post*, November 25, 1963)

Former Vice-President Richard Nixon likewise called on all Americans “to pledge ourselves to fight this tendency of hatred and violence.” (*AP*, November 25, 1963)

The *Washington Post*, in an editorial, pointed out that this campaign of hatred and violence threatens democracy itself.

“Since freedom extends to all men, unless and until they are convicted of crime through a fair trial, must we reconcile ourselves to the slaughter of Presidents and Governors by deluded terrorists?”

“Is this the Achilles’ heel through which our free society may be destroyed? Will it force us severely to curtail freedom and to restrict the movement of Presidents? Will it, on the other hand, enable assassins and the apostles of violence to plunge the Nation into chaos?”

“Beyond this is the stark truth that we have been so enamored of the luxuries of freedom that we have neglected its disciplines.

“All these areas of social failure are closely linked with the perpetuation of hate and violence.

“What concerns us most is the fact that the tragic consequences fall upon all of us. No member of a free society can escape the consequence of lingering elements of despair and terror because he may not be directly responsible for them.

“President Kennedy’s death demands a new perspective on this national burden of violence. The anguish of this experience should enable us to see that all who prize freedom must share in knitting tighter the bonds of understanding, brotherhood and mutual helpfulness.” (*Washington Post*, November 25, 1963)

While in the United States, I held conferences with American officials including the new President, Lyndon B. Johnson, Secretary of State Dean Rusk, Undersecretary Averell Harriman, Ambassador Adlai Stevenson, General Douglas MacArthur, Governor Nelson Rockefeller and other American officials. Likewise, I conferred with UN Secretary-General U Thant and other foreign leaders. After my talks with American and Asian leaders, I decided that it would be of great benefit to our country and for the ideals which we uphold, to return via Africa considering that the additional time and expense of returning via the Pacific would be minimal. I will make a report of my trip to our people in a radio-TV speech tomorrow. So I will not dwell now on my trip to Africa except to say that the benefits to our country and its ideals which I hoped for exceeded our expectations.

May I also say that if the foreign visits availed of in the return from the trip to the United States were motivated by other consideration than that of duty, we would have visited countries which are noted for the opportunities they offer for leisure and comfort and to which I have standing invitations by their governments. Instead, I devoted the time and expense to visiting countries in Africa, which in the parlance of international relations are regarded as “hard posts” because in the discharge of my duty as President, it is our desire to always place the national interest and the public welfare above personal convenience and comfort.

On the way home, it also became necessary to go to Bangkok to express the condolence of our people over the death of the Thailand Premier, Sarit Thanarat. In the same manner that we condoled with the American people over the death of their President in view of the extraordinary ties between the Philippines and the United States, a similar act of good will in Bangkok was necessary because of the exemplary ties of friendship between Thailand and the Philippines.

I shall only mention one more matter and I shall be through. In many countries, the cost of living has become a preoccupation of the people. While the cost of living in the Philippines is comparatively less than in most countries of the world, we owe it to our people to attend to this problem in a decisive manner. I urge the members of the House of Representatives and the new Senate to give special attention to this problem of stabilizing the prices of prime commodities, for which I am ready to do my part, in order that our people shall have confidence in the ultimate prosperity that we seek for them in our five-year socio-economic program under free enterprise and thus bolster their faith in the cause of democracy and freedom.

I end with the appeal that as it is now the endeavor in America, similarly, for the survival of democracy in our land, let us put an end to campaigns of hatred from all sides. In the true spirit of freedom, let us disagree not as enemies but as compatriots and brothers. Let us contemplate each other and each other’s actions not with hatred and animosity but with fraternal esteem and tolerance. Let us seek the good of our people not through the consuming

fires of hatred of each other but through the fruit-bearing flowers of love for our people and their welfare. Let us inculcate as an inviolate element of our democratic society the noble truth that service to others flows not from hatred but from love.

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Radio-TV address of President Macapagal in the program “President Macapagal Speaks to the Masses”

**Radio-TV Address
of
His Excellency Diosdado Macapagal
President of the Philippines**

[Delivered on December 17, 1963]

REPORT ON UNITED STATES AND AFRICA TRIP

I AM HAPPY to be home and to be in the midst of our people again. I left our homeland on a mission in the United States. On behalf of our country, too, I visited other states in the emergent African continent. The time is too premature to make categorical statements of ultimate tangible results of those state visits. As the editorial of the *Manila Times* today said: “It is essential first of all to understand, without necessarily approving of, their politics before our foreign policy (or our national commitments, for that matter) can start building that bridge between Africa and the West.” Nevertheless, my mission in this trip has properly insured the national role in international relationships and affairs. This being significant to the welfare and interest of our nation, I am therefore glad to make this report to our people.

The practice of heads of states to make carefully-selected visits to other countries involves pertinent truisms which are integral aspects of a sovereign nation like ours. Throughout the year, there is hardly a day in which a head of state or government is not visiting in another state. It is of vital importance to our people’s interest that we fulfill the role and responsibilities of our country in international affairs. Corollary to the status of an independent state, each nation in the world today must discharge this function as a civic duty to mankind and in protection of its own interests.

This international function of a nation, whether large or small, is a new essential in the affairs of our contemporary times. A nation at this instance of world history cannot allow itself to be abstracted or isolated from the world society itself. Like the family unit in, say, a national society, a nation today insures its own welfare by determining its own position in the international community.

Under the auspices of this current international condition, good-will missions or visits are therefore viewed as reciprocal honor. When a nation is visited by the head of another state, it is deemed an act of friendship and homage. Our own Republic feels honored that in the last two years, it has been visited by an extraordinary number of heads of states and governments from other countries. Similarly, when the head of a particular nation-state is received in the terms of such a visit, a reciprocal invitation is in order. All these are necessities in a world committed to shaping a universal order of unity and peace.

At the proper time and in a proper manner, the expenses incurred by the government in the foreign visits I had undertaken will be made public. In the light of the necessities and propriety of state visits, they should not be gauged in terms of expenses especially when such are prudent in nature and extent. We cannot exchange the international value of friendship and mutual good will, nor can we sacrifice the national interest for a modest sum of pesos and centavos.

As you all know, my main mission was to represent the Philippine Republic in the funeral rites of a great President. The decision to make the trip proved to be a wise one because other heads of states all over the world attended the funeral ceremonies. The new American President, Lyndon B. Johnson, and other American officials expressed their deep appreciation and that of the American people that the Philippines, their traditional ally in Asia, stood beside them in their hour of sorrow.

On the way home, it also became necessary to go to Bangkok to express the condolence of our people over the death of the Thailand Premier, Sarit Thanarat. In the same manner that we condoled with the American people over the death of their President in view of the extraordinary ties between the Philippines and the United States, a similar act

of goodwill in Bangkok was necessary because of the exemplary relation of friendship between Thailand and the Philippines.

My trip to the United States was more than just an observance of ceremonial propriety. It was an expression of our relatedness and kinship with the American nation. And on more fundamental issues, I, your President, had to convey the sentiment of the Filipino people. For we do share the sense of loss and mourning of the people of America over the demise of the late President John Fitzgerald Kennedy.

Our feelings derive not so much from the natural grief a people experience over the death of a worthy member of the whole human community; but we do naturally share the sentiment of the American nation because of our commitment to the cause of democracy; because of our common concern with the same ideals; and because of the fact of our affinity with the American people in our devotion to human rights and human liberties. Nobody in recent times has articulated these causes and principles more cogently and with more sincerity than the late President Kennedy. For that matter, at no other time of our recent history had we ever felt, more intensely, the actual congruence in ideals and commitments between our nation and America.

The Filipino people owe it to the American nation, therefore, to pay its last respects to a great American leader. And if you consider that in the lifetime of the late President, I had accepted but decided to defer a state visit to the United States, it became therefore an obligation for me to be present in those last rites honoring the late lamented leader of the American people.

It has been said here, in my absence, that my mission should have been solely singular in purpose; that I should not have attended to any other affairs but that which pertained to my mission. Indeed that could have been done. But after the intention of my mission was accomplished, the goodwill of the Filipino expressed on that touching occasion of America's late President's rites, there was also the necessity, the fact of the matter, that President Kennedy's death involved several implications, perhaps not really new both in America and in the relationships between other countries and the United States, but which also had to be confirmed, and threshed out.

As I had previous occasion to say, one of the compelling reasons for having consultations with the American President, even during the administration of President Kennedy, was to anticipate the changes in the nature of our relations with America after 1974. For one thing, the Philippine Trade Act which still conditions our economic ties with the United States now, provides for graduated terms of agreement. This was urgent. The other factor was in having consultations with America over what recently have presented themselves as matters to be immediately traced out, namely, the status of our textile enterprises insofar as it is involved in quota agreement with American business firms, the imposition of a tax on excess Philippine oil exports to the United States and the effective application of \$30 million of the additional war damage to a land reform educational program. There were others that had to be attended to, all vital to Philippine interests.

But it was not alone with America that the death of President Kennedy offered some implications. While in the United States, I held conferences with American officials including the new President, Lyndon B. Johnson, Secretary of State Dean Rusk, Undersecretary Averell Harriman, Ambassador Adlai Stevenson, General Douglas Mac Arthur, Governor Nelson Rockefeller and other American officials. Likewise, I conferred with UN Secretary-General U Thant and other foreign leaders. After my talks with American and Asian leaders, it became clear to me that it would be of great benefit to our country and for the ideals which we uphold to return via Africa considering that the additional time and expense of returning via the Pacific would be minimal. Accordingly, I made state visits to Liberia, Tanganyika and Madagascar in Africa.

These visits to the African states were not only fruitful in good will for the Philippines and our people but have also laid the bases for the protection of vital Philippine interests in foreign affairs. I am confident that time will confirm how valuable this trip is to the welfare of our people.

In Liberia, the government has arranged for Philippine technicians in bamboo craft to be employed there and a similar agreement was made by the government of Tanganyika. Arrangements were initiated for trade mutually beneficent between Madagascar and the Philippines, and the same can now be done with Liberia and Tanganyika. In

Tanganyika, for good will, I donated ten thousand shillings, which are roughly equivalent to six thousand pesos, at the opening of their first medical school to which their President invited me and Mrs. Macapagal whom they knew to be a medical doctor.

In Madagascar, which is more than twice as large as the Philippines, there are eight million inhabitants who are predominantly of Malay origin like the Filipinos. While proximate to Africa, they are more Asian than African. Their leader, President Philbert Tsiranana, is a hard-working, patriotic, farsighted former school teacher and farm boy of poor parentage who is ready to forge closer relationship with the Filipino people and other Malay peoples. The dream of Dr. Jose Rizal of a Malayan reunification which we have sought to implement through Maphilindo will be incomplete without the participation of the Malagasy Republic in Madagascar. In our pioneering visit to that far-flung Malayan country off the east-southern coast of Africa, we have immeasurably contributed to the ultimate fulfillment of the hegemony of the Malayan peoples within the context of a better world.

In our trips to Liberia and Tanganyika, with a useful stopover at Nairobi, Kenya, we obtained a valuable glimpse of Africa with its thirty-five newly independent states which constitutes an important factor in the destiny of the modern world. In comparison, there are thirteen new independent states in Asia. Since the Philippines pins its ultimate security and welfare among the nations in the United Nations, we would be recreant to our interest if we did not begin to establish effective contacts of harmony and cooperation with these thirty-five African states whose votes have become vital in United Nations affairs. With the good will we have established with the highest leaders of Liberia, Tanganyika and Madagascar, together with the personal contact gained with the Emperor of Ethiopia at the Kennedy funeral, it may now be said that the doors of Africa have been opened to the Philippines for cooperative action with African states on matters that concern our interest and welfare. Considering our cultural links with South American countries and our natural links with Asian countries, the connections which have thus been initiated with African countries now place the Philippines strategically situated to adequately safeguard its interest and welfare in the council of nations.

Should the Philippine claim to North Borneo, for instance, be in some manner placed for consideration in the United Nations, we shall already have a broader base for a more sympathetic and promising reception of our cause.

In a wider sense, the value of my visits transcends even these. Committed as we are with the other nations in Asia and Africa to the democratic ideals and the liberal principles which President Kennedy espoused, there was a need to feel out the sentiment of our brother Asians and Africans regarding our joint commitments. It was not because we anticipated changes as a result of the change of leadership in the White House. It was merely because there was need for even a new affirmation of loyalties to the causes we share with the free world.

Parenthetically, may I say that if the foreign visits availed of in the return from the mission in the United States were motivated by other considerations than that of duty, we would have visited countries which are noted for the opportunities they offer for leisure and comfort and to which I have standing invitations by their heads of state or government. Instead, I devoted the time and expense to visiting countries in Africa, which in the language of diplomats are regarded as "hardship posts" because in the discharge of my duty as President, it is my desire to always place the national interest and the public welfare above personal convenience and comfort. That I am not inclined to make state visits for frivolity or leisure was also shown when I suspended my already arranged state visit to the United States on invitation initiated by President Kennedy, upon seeing that such visit would not then serve our national interest.

Indeed, my trip to Africa on my way home from my mission was still part of the necessities borne by the circumstances of having to pay homage to the late American President. The ideas and ideals I had to pay attention to, in alliance with other developing societies in the Afro-Asian continent, were precisely the ideals that were touched by his death.

Summing up all, I am able to say that I am now back from that mission with a clear and new vision of the future relations between the Philippines and America. It is expectable that we should have differences of opinions with America regarding the things and events that directly touch us; but it is also expectable that, because of our common

commitments to the same ideals and aspirations of humankind, these differences should not be irreconcilable or fundamental.

In my meeting with President Lyndon B. Johnson, who has taken over the responsibilities of the American presidency, he and I have had the occasion to talk about our separate countries and our individual national problems when he came to the Philippines in 1961. But since we were both vice-presidents at that time there was no propriety for both of us to come to specific commitments or to indicate national policies. I am therefore happy to report now that the new President of the United States has a clear understanding of the Philippines' point of view; of our attitudes and problems; and of our goals and aspirations as a distinct political entity and as a separate Republic.

It is also a welcome circumstance on our part that a leader of President Johnson's sympathies and attitudes should be now in the White House. We feel that his viewpoints would precisely foster and promote the sustained and continuing relations of our two countries. At this stage of our life as an independent nation, I personally feel that the new American President would be in a position to comprehend our national reactions to the problems that the contemporary situation presents on our consciousness and the degree of urgency that we shall perhaps be compelled to respond to the events within the immediate context of our national life.

I take pleasure in reporting to you, therefore, what I feel is a more confident future both for our national survival and our relationships with other nations, more particularly our relationship with America and the newly-emerged nations of Africa. I take sanction of this assured point of view from the personal experience I derived from my trip to the United States and from the consultations I had with the Secretary-General of the United Nations and the leaders of the nation-states I visited in Africa. After my mission, I am more convinced that our basic national policies are right; that a sustained commitment to the ideals and promises of democracy must take cognizance of the plight of the general masses of our people; that as we affirm freedom in our premises of government, we should also be ready to exercise its general application.

But ours is not just to realize for ourselves the benefits of modern science and technology; nor to enjoy the privileges which contemporary times have made available for mankind in the 20th century. Concomitant to this duty, is also the labor of continuing the logic of our national history. This we shall achieve by re-asserting the high hopes and lost illusions of those who made us aware of our distinct identity as a nation, and of the profound significance of realizing this national image under the auspices of freedom and independence.

I spoke earlier of the actual congruence in ideals and purposes between us and the American people. It is to be noted that America now confronts the issue of extending the limits of constitutional freedom and of granting the common masses the rights and benefits that they are expected to enjoy. These we are doing through basic agricultural reforms; through means by which we could maintain economic stability and elevate the general level of the national life.

Yet, even as we address ourselves to the task of meeting the demands and necessities of our own society, we cannot remain immune to the fact that we have responsibilities to confront in collaboration with the nations of our immediate geography and the countries of the other spheres of the world. In the 20th century, it has become increasingly compelling to be committed not only to the cause of national survival and advancement, but also to issues beyond the boundaries of national states or regional cultures. A nation in our own times cannot take its stand on the egoistical concern of its welfare alone, but it has definitely become clear that the welfare of one nation is inextricably linked with such general issues as freedom, equal rights, and the rule of law in the management of human affairs. That is why we have bigger responsibilities to take up; larger commitments to sustain.

So that we have a greater revolution to undertake—one which does not merely have a superimposed rule upon our society to deal with. Bonifacio and the Katipunan revolution undertook this task; Quezon and the other Filipino statesmen did their share of continuing the aspirations of the Filipino people under the American regime.

Political independence was the legacy we happily inherited from the endeavors of our past leaders. Our role now, our responsibilities at present, will have to take the form of substantiating this truth of our political autonomy by raising the level of activities of our society; by seeing to it that the possession of sovereignty is not travestied through

unwitting neglect of our foreign relations. Independence is a responsibility which has to be exercised both in the national situation as well as in the schemes and general intentions of our immediate region. We cannot remove ourselves from the rest of Asia; we cannot abrogate our linkage with the rest of mankind. The revolution that we wish to continue in our society is part of a great revolution in Asia. And the ideals of this revolution take for its general concern the welfare of mankind.

It was for this truth that I held consultations with the Secretary-General of the United Nations, Mr. U Thant, and that I decided to undertake a trip to Africa. The African continent, like Asia itself, has long been a large fact in the geography of the world, but it is only in more recent times that the human implications of its geographic fact is beginning to be acknowledged as of political significance. Yet between ours and the societies of the rest of Asia and of Africa are obvious common givens of historical circumstances. This, and the present situation of our political status is compelling enough, on our part, to make common cause and collaborate on general schemes with societies and peoples beyond the national geography.

I have read it said that I had gone to Africa on a safari. This interpretation of the trip, in itself, would imply the necessity of my having to make it. The issue of colonialism, from its purely political implication, seems to have pervaded even the human fact of societies. The apartheid question is one such aspect. In another sense, we ought also to correct the impression that the African continent could offer nothing but a location for a Hollywood movie such as "The Road to Zanzibar" or a site for a virile sportsmanship such as a "safari." One does not always go to Africa helmeted and in a hunting outfit; nor is the contemporary significance of that large continent reducible to its supply of ivory tusks, lions, elephants and zebras. In our own times, we have to correct this impression and check the romantic flights of our reportorial imagination with significant political facts. It may not be too disastrous to misrepresent Africa in such imaginative terms, but it would certainly be yielding to a colonial myth to allow these images to condition our response to the developing societies in that continent. Ultimately, this would be politically harmful, because inaccurate. Nevertheless, if the word "safari" be insisted on, then I admit that I did no less than that. I had gone on a safari not in terms of a recreational gamesmanship but it must be conceded, in order to penetrate the heart of what was once called "an impenetrable dark continent"; to feel the beat of its human pulse, and in order to fully understand the nature of the common truths between us. In short, my safari was undertaken in order to come to terms with the nature of our common cause.

It was perceived before, and it is still being said now, that as a result of our colonial situations in Asia and Africa, our various countries had remained alien to each other. Our separateness had resulted not merely in the ignorance of our societies of the common bonds between us, but in the tactical error of not knowing our collective strength. Each of our societies have, in the past, desired freedom; affirmed equality and the rule of law; economic prosperity for all peoples. But we seldom had the opportunity to work jointly together, and in the spirit of collaboration and mutual assistance, for these noble ideals. Now and then we would have the chance to express ourselves on this. The Bandung Conference was one such instance. But the consciousness of our common necessities and ideals seldom found its practical issue in a collaborative and collective endeavor for economic and social development or in the joint task of regional security, or in the generous gesture of a more intensive program between nations in the Afro-Asian continent in terms of high-level consultations or cultural exchanges.

The SEATO was one of such practical results of a consciousness of common survival. But historical circumstances have changed. The idea of national responsibility; the idea of regional security and development of belongingness have all now been placed in larger context. The countries in Southeast Asia are now awakening to the truth that they are part of a whole continent. At the same time, the idea of a united world has been greatly enlarged. New countries in Asia and in Africa have attained statehood; concomitantly, the representation in the United Nations has greatly expanded.

The presence of these new nations in the representative body of the United Nations has changed for all nations, whether in the East or in the West or in the Mediterranean, the manner of regarding national responsibilities and the relationship that one nation ought to take towards the universal order. For one thing, new issues have come up; new challenges have presented themselves; and a new concept of politics as well as of moral responsibilities have been necessitated.

It is not the Philippines alone that is being compelled to recognize these facts. It has become compelling even to relatively larger powers such as the United States, Germany and France, or even Soviet Russia. But we who share a common cause with the countries in Asia and Africa find it more urgent to acknowledge these realities. We must not remain petty, or withhold participation in moral responsibilities that we ought to properly recognize with countries in the same situation as we are.

I feel this to be the larger responsibility of Philippine nationalism. I feel that nationalism must be an assertion of the rights of man, both in the native context of a particular country and in any sphere of the world. The idea of freedom and economic prosperity that we recognize in one nation or region cannot be denied in any other area where man himself is established as a given fact.

It is therefore in the spirit of national responsibility that we include into our awareness the acceptance of the common cause we have with other peoples in building a united world anew.

I conclude my report to you on my foreign trip with an expression of my feeling that conscious of my responsibility as the head of a sovereign and esteemed nation, I have done my duty in promoting the cause and well-being of our country in the society of nations.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Christmas Message of President Macapagal

Christmas Message of His Excellency Diosdado Macapagal President of the Philippines

[Delivered on December 24, 1963]

ON THIS DAY of rejoicing, let us find time and effort to give thanks for the blessings we have received in the past year. As it is now known, the first year of my administration brought gratifying results for the initial stages of my socio-economic program. Let us hope that with the continued cooperation of the people, the objectives of this program will soon be realized and thus bring about progress and prosperity for all.

This Christmas, let us bring to mind the true spirit of the season—that our real source of joy is not in receiving but in giving, that it is not what we receive from others but what we give and do for their welfare and happiness that makes us truly happy. Let us make this a day of dedication of our thoughts and efforts to the task of bringing about a better life for all. Let this be our Christmas gift to the nation: our continued sacrifice and cooperation so that our present aspirations for prosperity and plenty will soon become concrete realities. We should not forget that whatever reason we may have for rejoicing at the present time we owe to our own sacrifice in the past to attain our present measure of progress.

My wife and children join me in expressing our heartfelt wish that this Christmas, as well as all others to come, will bring comfort and contentment to Filipino homes throughout the land. May our people enjoy continued good health in the coming years.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Message of President Macapagal on Rizal Day

**Message
of
His Excellency Diosdado Macapagal
President of the Philippines
On Rizal Day**

[Delivered on December 29, 1963]

SIXTY-SEVEN years ago, on the fields of Bagumbayan, the Filipino people witnessed the supreme sacrifice made by a man who was destined to become the nation's greatest hero and whose death was to have a lasting influence in the life of the nation. This man, Dr. Jose Rizal, died as he had lived, furthering the cause of freedom and the dignity and welfare of his countrymen.

On that fateful day in Bagumbayan, Rizal thought less of his own life and more of the lives of his countrymen who had long been chained to the evils of colonialism. Seldom in the annals of mankind has a martyrdom of such dimension been recorded.

The story of Rizal's life can provide us with a source of strength and inspiration to enable us to meet the trying challenges of the day. Our nation is now passing through a crucial stage of economic growth, a period of national development that demands the cooperation of the people, their sacrifice and their patience. With the same steadfast determination and dedication that moved Rizal, I am sure our people will soon be able to bring our country to its destiny of peace and prosperity.

On the sixty-seventh anniversary of his death, I ask our people to pause and pay tribute to Jose Rizal in order that his lofty principles and ideals will always remain alive in our thoughts and in our hearts.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

NATIONAL GOVERNMENT PORTAL – EDITED AT THE OFFICE OF THE PRESIDENT OF THE PHILIPPINES UNDER COMMONWEALTH ACT NO. 638

Address of President Macapagal on Independence Day, June 12, 1964

THE FULLNESS OF FREEDOM

PRESIDENT MACAPAGAL'S INDEPENDENCE DAY ADDRESS AT THE LUNETA, JUNE 12, 1964

THREE years ago today, we commenced the celebration of our day of freedom on the 12th day of June. We made the change not out of a diminution of esteem for America but out of a sense of fidelity to the verities of history. We have since commemorated the 4th of July as American-Philippine Friendship Day, also out of a sense of reality and truth. For it is a reality and a truth, indeed, one of the marvels in the annals of colonialism that after the ties of sovereignty were torn asunder between the United States and the Philippines on July 4, 1946, following forty-eight years of colonial association, instead of the relations between the two countries since then suffering a loosening, the bonds of friendship and partnership between the United States and the Philippines in defense of their security and in support of common ideals have become firmer and stronger with the passing of time.

The history of the Filipino people is an epic of an unrelenting struggle for freedom. Centuries ago, our forebears sailed in frail vintas to settle in our islands in order to escape from the despotism of their rulers in their aboriginal homes. In 1521, the European navigators led by Magellan reached our shores. Upon learning that the strangers came to place our land under the rule of Spain, our people under the Filipino patriot, Lapu-Lapu, fought to resist foreign rule, resulting in the death of Magellan in the hands of Lapu-Lapu in the battle of Mactan. Finally succumbing to the power of superior arms and brought under the rule of the Spanish crown, the people revolted intermittently and incessantly during the whole period of the one hundred and seventy-seven years of Spanish rule until finally a nationwide revolution led by General Emilio Aguinaldo and the founder of the secret revolutionary society, the Katipunan, Andres Bonifacio, under the inspiration of the Filipino hero and martyr, Dr. Jose Rizal, exploded and succeeded, resulting in the proclamation of Philippine independence in Kawit, Cavite, on June the 12, 1898, by General Aguinaldo and in the establishment of the Philippine Republic under a Constitution adopted in Malolos, Bulacan, with Aguinaldo as President of the Republic.

At about this time, war broke out between the United States and Spain. Defeated in the war, Spain ceded in the Treaty of Peace to the United States the Philippines over which it had lost physical control. Again, the Filipino people resisted the implantation of American rule but were subdued by superior arms with the capture of Aguinaldo in Palanan, Isabela, in 1901. Despite the magnanimity of American rule, the Filipino people continued the struggle for freedom for forty-eight years on the battlefield of peace under a new triumvirate of great Filipino political leaders, Manuel Quezon, Sergio Osmeña, and Manuel Roxas, until on July 4, 1946, the United States proclaimed, restored, and recognized the independence of the Filipino people as a free and sovereign nation.

With the recognition of political independence in 1946, the centuries-old struggle of our people for freedom did not come to an end. What has been won so far is political freedom, which carries the sovereign right to choose the way of life under which our people desire to live. Political freedom is not an end in itself but a means to a greater end, for which our people are now called upon to continue their unfinished struggle—their unfinished revolution—for freedom. That greater end is economic freedom which would extend political freedom to the economic life of the people and which requires the liberation of the national economy from foreign dominance and above all, which demands the freedom from bondage to poverty and misery of the greatest number of our people.

This is the new and continuing struggle for freedom in which our people are engaged today. It seeks goals different from those sought in the military revolution of Aguinaldo and Bonifacio or from those sought by the peaceful revolution for political independence of Quezon, Osmeña, and Roxas. It seeks the readjustment and rectification of those conditions created in our society during four hundred twenty-five years of colonial status that do not conform

to the spirit, idealism, and soul of the Filipino nation, to the end that the bounty which God in His generosity showered upon our land shall not be a monopoly of a privileged few but shall be shared by the greatest number of our countrymen.

By its nature, this is a difficult endeavor as, indeed, all revolutions, violent or peaceful, are difficult endeavors. But it is a task that is inescapable and must be undertaken if we are to be faithful to the legacy of freedom for which our forebears paid with their sacrifice and their blood.

There is one condition *sine qua* in this continued revolutionary struggle for economic freedom. It must be sought only through the ways of freedom. It must be so because since it is freedom in its fullness which our people have sought and fought for through generations and centuries, it would be an unpardonable monstrosity to seek that economic freedom through totalitarianism and not through the processes of liberty.

Our national endeavor therefore is a search for the fullness of freedom through the medium of freedom. Thus, under the aegis of this freedom, we have striven with increasing effectiveness to eradicate the evil of graft and corruption that has held sway in our government and among our people during the last sixteen years since the war's end through a moral regeneration program that respects due process and the rule of law.

We have discarded a twelve-year system of economic controls to restore the freedom of our currency. By this step, we have strengthened and stabilized the value of the Philippine peso and, in addition, the measure has immediately raised the income of the exporters, producers, and dependents of sugar, copra, abaca, minerals, palay, and other products of agriculture, industry, and mining.

We have launched land reform to give freedom and land to the tillers of our farms after centuries of economic and social bondage. The implementation of the land reform program will commence this month in Plaridel, Bulacan, and thereafter will be expanded to other parts of Central Luzon and other affected parts of the country. In this measure, we have limited its applicability to land of at least 75 hectares in area, and we have provided for freedom of choice to the affected landowners to shift voluntarily their capital to industry.

We have launched a five-year socio-economic development program on the basis of free enterprise to extend freedom to our masses from the generations-old slavery to poverty by promoting investments and production in industry, agriculture, and mining which would provide inadequate measure the needs of our fast-increasing population.

Indicative of the effectiveness of this program, production in agriculture, industry, and mining in 1963 started to exceed the production in 1961 and continues to expand.

We have invigorated the execution of an extensive program of public works, including concrete highways, rural roads, ports, and airfields, to give support and impetus to the establishment of factories and other productive ventures by private enterprises.

We have given specific boost to tourism as a feature of our economic program. The successful prospect of this undertaking is shown by the establishment at least, after many years of futile encouragement in the past, of a ₱20 million Manila Hilton Hotel which will place our accommodations for tourists at par with the highest world standards.

Realizing that liberation from bondage to the poverty of generations through our socio-economic program will require some time, we have in the meantime endeavored to insure our people against critical want by assuring at all times the rice and corn which is their food at reasonable prices while assuring profits to the palay growers. We have assured that the people have ready access to low-cost fish and other prime commodities, and we have provided ready job opportunities for those in critical need of income.

We are selling the lots and houses of the People's Home-site and Housing Corporation to their occupants to which they previously only had leasehold rights, and we have built multi-storey tenements for the virtual indigents to give them freedom from a sense of homelessness.

We have given free lots to the inhabitants of a large part of military land to satisfy their aspiration to own the lots on which their homes are built, as their forbears had yearned to do for a hundred years.

We have given particular support and assistance to the textile and garments industries to provide decent and inexpensive clothing to our population.

We have sold a multi-million government textile factory to its workers to usher them to freedom from the drudgery of endless labor into the threshold of proprietorship.

We have joined in an earnest coalition with the Labor Party to insure the legitimate effort of the workers to safeguard their rights and pursue their welfare in the widest latitude of freedom and justice.

While giving our people these urgent services, we have at the same time moved towards stable abundance by seeking the establishment by statute of a Rice and Corn Authority to attain self-sufficiency in rice and corn by establishing the Fisheries Commission to increase our fish supply, and by effectively promoting basic investments that would create permanent job opportunities.

Among the investments which show the success of the program are the ₱450 million integrated steel plant in Iligan City, the ₱250 million pulp and paper factory in Bislig, Surigao, the ₱80 million banana establishment in Davao, the ₱80 million canned pineapple plant in Cotabato, the ₱60 million steel plate plant in Binangonan, Rizal, the ₱120 million fertilizer plant in Bataan, and others too numerous for exhaustive mention.

To assure to our youth freedom from ignorance we have avoided the recurrent school crises and have embarked on massive construction of new school buildings. We have likewise sought from Congress the establishment of a Workers' University to give an opportunity to the deserving children of the poorest families to acquire university education.

We have respected with full understanding and without reprisal the freedom of the press and other media to criticize the Administration to the verge of license because we espouse the principle that, given a choice between licentious freedom and its regulation, we are for the former because freedom possesses a quality of self-discipline that can remove its excesses while regulation may amount to regimentation that can lead to tyranny.

We have cooperated in the freedom of our political adversaries not only to criticize the Administration but also to conduct investigations against the actions of executive officials believing that it is through free inquiries that the truth of the indictment can be established or its falsity exposed.

Without diminishing our ties with our closest ally, the United States, we have charted a wider course of freedom in dealing with other nations and in particular with our brothers in the Afro-Asian community.

To carry out our program of prosperous life for our people in freedom, we have set the basic requirement of peace in the country by dealing the communist uprising a mortal blow through the capture of its "brain," Dr. Jesus Lava.

The final capture of Lava after eluding the authorities for eighteen years is not only a historic but significant event. Lava led a (movement that sought substantially the same economic freedom that we seek for our masses, but he sought his goals through the tactics of totalitarianism, tyranny, and violence that characterize communism. Upon his capture, he acknowledged that in our current efforts under our system of democracy, social conditions have improved and fresh hopes have been raised for the common man. It would not be far-fetched to believe that it was this dismay in the success of our democratic efforts for the welfare of our people which weakened the fervor of the

communist cause and Lava's own will to continue his violent uprising, thereby resulting in his capture after years of fugitive elusiveness.

The capture of Lava, therefore, should focus our minds on two things: firstly, that our struggle to achieve a better life for the multitudes of our people through the ways of freedom is proving to be the right course; therefore, thus encouraged, we can reassure our people that as long as we have the responsibility of steering the affairs and destiny of our nation, we shall endeavor to build a better country and a better life for our people not through any techniques of totalitarianism but through the established Filipino way of life—through peace, freedom, and the rule of law.

Secondly, it should be food for thought to those who now enjoy in greater measure than others the bounty of our land that for the sake of our country and for their own sake, they ought to view with greater understanding and even support our energetic efforts to provide effective opportunities to the greatest number to attain a better life through the ways of peace, freedom, and the rule of law because this is the course that will avoid the tragedy that has befallen other nations—including nations around us—in which the inescapable struggle of the masses to share in the wealth of their country has been accomplished in the manner in which Lava and his movement would wish it to be achieved, through totalitarianism, tyranny, and violence, under which not only wealth and comfort but life itself stands in danger of being lost. The affluent in our society should not ignore or forget these early the warnings and lessons of our recent history, when the alternative of violent protest rather than peaceful reform pursued by the communists almost succeeded in overwhelming us and, destroying the sources of their wealth and fortunes.

To expand the area of basic peace upon which we pursue a prosperous and free life for our people, we have sought to use our good offices to prevent tension and conflict in our international neighborhood. To this end, after our independence ceremonies, much as I do not wish to leave our country at this time, I shall be constrained to fly to Tokyo to undertake this vital (mission. It is an hazardous mission that involves our national interest and that seeks for ourselves and our neighbors freedom from war. I need the good wishes of all in this momentous undertaking, for if it fails it will jeopardize the stability of our region; but if it succeeds, it will mean not only peace in our neighborhood but an initiative in international diplomacy that will bring honor to our entire nation.

In summation, our commemoration of our day of freedom is, therefore, not an empty ceremony but is a realistic ritual of rededication to the substance of our lives and our aspirations as a people which consists in the fullness of freedom. Our celebration and jubilation on the day of our independence is as essential a part of our lives, as individuals and as a nation, as the air that we breathe, the food that we eat, and the God whom we worship.

I need but make one more observation to end this speech. The struggle for freedom, whether political or economic, is truly a revolution. In other lands, it has become a violent revolution. In our country, we are lucky thus far that our revolution for a better economic life has been a peaceful one. But whether violent or peaceful, all revolutions demand sacrifice and fortitude in the face of transitory hardship. If we are worthy of freedom, if we are worthy of the sacrifice and fortitude of our heroes who left us a legacy of freedom, if we are worthy of the better life that we seek for ourselves, if we possess the manhood of a virile nation, let us not whimper in the face of transient hardship, let us not wail over inconvenience and difficulty. Rather, as good citizens, let us do our share in this common struggle ready to sacrifice and to undergo hardship; let us work hard together, for this is the way to build a richer nation in **free** enterprise; let us realize that it is necessary for us to undergo the cavalry of sacrifice and hardwork in order to deserve and enjoy the redemption of a better and happier life.

I end with the proud declaration of the truth that the Philippines is irrevocably a land of freedom. The love for freedom is the outstanding trait of the Filipino. Democracy and the freedom on which our government is founded have taken firm and very deep roots not only in the soil of our earth but also in the soul of our people. Having espoused peace, freedom, and the rule of law as their way of life, the Filipinos will rather die fighting for freedom than live under any tyranny, foreign or native. Because freedom is his devout wish on this independence day, the Filipino feels inside him that his freedom is still incomplete. There will never be the fullness of freedom that the Filipino heart yearns for until it includes as a reality freedom from want, freedom from poverty, freedom from misery, freedom from a hopeless life of hardship and deprivation. As the leaders of two preceding generations before us contributed their share essentially in the political sphere to the achievement of our people's goal of freedom in its fullness, its expansion to the freedom of our multitudes from social and economic bondage to poverty

is the task of our own generation. This is the inescapable task of all of us. On my part, with God's benediction, I shall do my share of the enormous task the best way I know how.

May God bless our people on this our day of freedom so that it shall become full and shall last unto eternity.

Source: **Supreme Court Library**

MESSAGES TO THE CONGRESS

Diosdado Macapagal, First State of the Nation Address, January 22, 1962

**Message
of
His Excellency Diosdado Macapagal
President of the Philippines
To the Congress
On the State of the Nation**

[Delivered on January 22, 1962]

“Five-Year Integrated Socio-Economic Program for the Philippines”

Mr. Vice President,

Mr. President,

Mr. Speaker,

Monsignor Antiporda,

Ladies and gentlemen of the Congress;

I appear before you today, the elected representatives of the sovereign people, not as President of one party but as President of the entire Nation.

As such, I am charged with the constitutional duty, which I am resolved to carry out, of serving the interests of the members of all groups of our people and doing justice to every man.

It is in this spirit that I now come before you. For in administering the affairs of this nation, you and I share the common responsibility of providing the leadership, the guidance and the service that a democratic government owes to the people. You and I must provide for their enjoyment of those basic requisites for decent living and of those adequate opportunities for the attainment of material prosperity and spiritual fulfillment. Only thus will they be able to stand in dignity and freedom in the community of nations.

We assume our joint responsibilities at a time when the Nation is faced with many serious problems. The eyes of the world are focused on us, anxious to see how this new Government will face the difficulties confronting it. Our performance will be judged not only by our own people but also by the other nations of the world, not only by the present but also by posterity.

Because of the impelling and serious problems facing the country today, I should like to depart from the traditional practice of my illustrious predecessors of delivering an all-embracing State of the Nation message. I shall not burden you now with all the details usually embodied in such a message, especially those related to the customary and routinary activities of the government. While it is recognized that such functions deserve equal and proper attention, I believe it would be more in keeping with the exigencies of the moment to submit, at the proper time and in the hour of need, such special messages to Congress on these matters as may be warranted by circumstances.

In the interest of priority of purpose, therefore, I beg leave to submit for the consideration of this Congress only the most paramount problems of the Nation which, in my considered opinion, require immediate and preferential attention.

STATEMENT OF OUR MISSION

In my inaugural address, I set forth the goals of our Administration in the coming years, as follows—

1. The solution of the problem of corruption;
2. The attainment of self-sufficiency in the staple food of our people, namely, rice and corn;
3. The creation of conditions that will provide more income to our people—income for those who have none and more income for those whose earnings are inadequate for their elemental needs;
4. The establishment of practices that will strengthen the moral fiber of our nation and reintroduce those values that would invigorate our democracy; and
5. The launching of a bold but well-formulated socio-economic program that shall place the country on the road to prosperity for all our people.

This five-fold mission may be carried out by resolving two major problems, namely—the need for moral regeneration and the problem of economic growth.

Democracy on Trial

In the accomplishment of our mission, we have chosen the freedom of democracy as the context for the solution of our problems. Democracy is truly on trial along with us in our social and economic travails.

By our success or failure in leading the Nation from the abyss of want to the plateau of abundance, not only ourselves but also our way of life will be judged. If we falter, we shall fail democracy as well as our people and thus bolster communism's boast that it is a superior political system. But if we succeed in laying a dynamic and permanent base for justice and prosperity in this country, we shall vindicate not only ourselves but democracy itself.

MORAL REGENERATION

Therefore, I first invite your attention to the decadent state of our public morality. Our efforts to achieve the goal of economic and social fulfillment will be more effective and the results we obtain more permanent only if we can suffuse them with a pervasive moral regeneration.

At my inauguration, I stated that I would seek to strengthen the nation's moral fiber through formal modes of reform, enforcement of the laws and the exercise of the tremendous persuasive power of the Presidency in setting the personal example of honesty, uprightness and simple living. The enforcement of the law is solely the responsibility of the Executive Department, but I invite all to join the Executive in wielding the potent power of moral example, and I particularly urge the Congress to assist in conceiving those reforms that will contribute to a moral renaissance of our people.

Let me, however, add that it is wasted effort to steep the young in virtue and morality only to let them realize as they grow up that their elders are neither moral nor virtuous. We must, therefore, see to it that the practices allowed by law in government and business, in the professions and labor unions, in field and factory—in every area of national endeavor—conform as much as possible with the moral and the ethical. Such practices can be sustained and upheld only if we can at the same time create a strong public opinion that will actively approve them and vigilantly condemn the contrary.

In our actions, we should not be guided only by what is legal. We must go beyond legality into the demands of morality. Our acts must not only be legal but must be moral as well.

THE PROBLEM OF ECONOMIC GROWTH

The second and far-reaching need of the Nation is the solution of the problems pertinent to our economic growth and development. It encompasses all our aspirations to attain self-sufficiency in food and a higher standard of living.

We must face the problem of economic growth with preferential emphasis. Proper economic development will raise the income of our people and the revenues of the government. It will thus produce the additional funds and facilities necessary for effectively discharging the other functions of government and for meeting the needs of our population. We must ever bear in mind the fundamental fact that it is through the adequate advance of the national economy that a higher standard of living can be attained by our people. We must accelerate the coming of that day when this country shall be not merely the exploited domain of the privileged few but a land where the common man shall stand erect, the equal of his fellow men, able to protect his rights and possessions, and sharing in dignity and freedom in the task of building an ever greater Nation.

The Dimensions of Our Economic Deficiencies

Before assuming the responsibilities of the present, let us first determine the magnitude of our tasks. In this way we may measure the dimensions of the efforts we must exert in order to succeed.

That magnitude is evident in the rapid growth of our population, and in the corresponding increase in the demand for food, shelter, schools and jobs.

Philippine population is now growing at the annual rate of 3.2 per cent. This means approximately one million more people every year to feed, to house, to clothe and to employ. What are the implications of this rate of growth?

On consumption of essential foods.—By merely maintaining present consumption levels of essential foods—rice, bread, meat and dairy products—which are below nutritional standards, we have to increase rice production by 1.56 million cavans per year, meat by 14 million kilos and milk and dairy products by 11 million pounds.

On housing.—Our housing problem defies imagination. In 1960 there were 4,566,000 households in the country. By 1965, based on an estimated 130,000 more households formed each year, the total will increase to some five and one-third million. The rapid concentration of families in urban centers and the inadequate housing facilities available at the present time emphasize the magnitude of the resources required to provide shelter, not to say civilized dwellings, for our people.

On education.—Expanding population means that government services must correspondingly increase. There will be an average of 960 thousand children reaching school age every year. Subtracting the normal loss in graduates and dropouts, the total student population of the country will continue to increase at the rate of no less than 600 thousand each year.

On employment.—In 1960 the number of the labor force was 10.2 million. This number will likely increase at the average rate of 360 thousand every year for the next five years. If we are merely to prevent the unemployment rate from increasing, we must create job opportunities for this number of people each year. We must also absorb the backlog of the unemployed and provide fuller employment to the underemployed.

These are only some of the hard facts of our social and economic needs. They are the urgent requirements of our growing population.

The Basis of Past Economic Growth

During the last fifteen years since independence, Philippine economic growth was characterized by many factors and circumstances, namely—

- the adoption of exchange controls in December 1949;

- tax exemption privileges enjoyed by new and necessary industries, which include all customs duties, compensating taxes, sales taxes and internal revenue taxes;
- one billion pesos worth of bond issues for reconstruction and development as authorized by R. A. No. 1000;
- our traditional export industries—coconut products, sugar, mining and logging and lumber mills had just been restored to pre-war capacities;
- the extremely strong and stable world market for copra, our principal export;
- the almost total absence of manufacturing industries so that consumer goods in finished form constituted the main bulk of our imports;
- the high level of available foreign exchange; and
- the windfall of war damage payments and aids from the United States.

Overall Growth Rates.—The character of the period was manifested in some of the overall statistics of economic growth during this era. Taking the period from 1950 to 1959 as a whole, gross domestic product increased at a compound rate of 6.3 per cent per year while total production grew at about 3 per cent,

Domestic production was augmented by substantial importation. Imports were financed by rising export receipts, by the in-flow of foreign capital largely in the form of re-invested earnings, substantial foreign donations and by a reduction in the country's international reserves.

The combination of growing domestic production and substantial imports increased the availability of goods and services in the economy. These were largely absorbed by consumption which increased at the rate of 3.3% per annum per capita. Investments were only increased on a per capita basis at the rate of 1.3% per year. During that period the country was only investing at the rate of P8.62 for every P100.00 worth of gross product available. The rapid growth in domestic production was achieved with relatively small investment of capital. During the decade, it took only P1.36 of investments to get each P1.00 increase in domestic, product

Recent Changes in Policies

In the last two years, fairly radical changes in policies have occurred. On April 25, 1960 the cheap dollar policy of the Central Bank came to a close. The policy had undergone several modifications before that date. But these modifications took somewhat less direct forms. Thus the exchange tax of 17% increased the exchange rate for most important transactions from P2.015 to P2.358. Barter made it possible for exporters of certain grades of commodities to appropriate a portion of the premium on foreign exchange. Finally, the margin fee which replaced the exchange tax effectively raised the exchange rate.

On December 31, 1955, Executive Order No. 150 increased tariff duties on several commodities and on June 22, 1957, Congress passed the Revised Customs Code of the Philippines which also raised the duties on some lines of imports. These had the effect of raising the cost of imports. But it was not until April 25, 1960 that the Government took official cognizance of the fact that the rate of P2.00 per US \$1.00 was unrealistic.

Many firms are now losing gradually the benefits of the tax exemption law. In its stead, the Basic Industries Act provided a more limited tax exemption for the machinery and equipment importation of "basic industries." Only import duties, special import taxes and other levies on importation are waived.

What does all these mean? Over all, profits on foreign exchange will cease to be a source of inducement for investments. To some extent, the Basic Industries Act and the Tariff Code may provide specific inducements to particular types of enterprises. It is safe to anticipate, however, that more than at any time during the last ten years, business enterprises will have to rely for attractiveness of economic efficiency in processing and in distribution.

Significance of the New Policies

Two conclusions follow from the premises:

1. The field for investment during the next ten years will be much narrower at the start because the tests of attractiveness and feasibility will be more rigorous.

2. The character of the investments will change. More basic developmental effort will be necessary.

Further development of mining, agriculture and forestry will involve more substantial investments in basic facilities—roads, irrigation and water control system, warehouses, heavy equipment for clearing and cultivating, pest control equipment, housing, etc. This is the result of bringing less developed lands under cultivation. The development of forestry will involve exploiting more remote timber lands. The expansion of mineral production will mean more extensive exploitation and development of deposits in more remote places. Further progress in industrialization will mean the establishment of facilities for processing raw materials.

During the past ten years, the chief industries which were newly established, being devoted to the later stages of processing, assembly and packaging, had to be located in or around Manila, near the principal markets. In the coming years, the principal industries will likely be located near sources of cheap power or raw materials. Larger investments will be required in the country to set up new communities with all the facilities involved in building water systems, electric power generating and distribution plants, sewerage systems, housing, roads and communications facilities.

Further growth in the Philippine economy will thus involve larger average investments than in the past. The country will need to rely to a larger extent on external resources from foreign aid, institutional loans, and foreign investment.

To look at this picture in terms of the statistics of overall economic performance, if from 1950 to 1959 the equivalent of P1.00 of additional output in the economy could be achieved by overall investments in fixed assets and inventory of P1.36, in the coming years it will likely take between P2.50 and P3.00 of investment to achieve P1.00 of growth.

The other side of investment is saving. To try and double the rate of investment will mean that we have to increase the rate of savings in order to continue the growth of per capita product in this country.

THE ECONOMY TODAY

Thus, today we must begin our labors at a point of economic difficulties. To fully realize the severity of the tasks before us we must recognize that:

Firstly, the country has fully exhausted the potentialities for growth offered by the complement of policies ruling over the decade of the 1950's. Over the last three years from 1958 to 1960, the growth rate of real gross national product has declined.

Secondly, it has become obvious that the impetus to investments which exchange controls and various tax incentives provided has worked itself out.

Thirdly, the country already enjoys to the fullest extent the export potential feasible under present exchange and trade policies. The weakening of world copra prices has caused the country's export earnings to level off from the rather steep growth of the last ten years. Even the stability of our earnings from sugar exports is threatened by the current move in the U. S. Congress to have the United States purchase sugar on the basis of global quota and at "world free market prices."

Fourthly, this weakening of our export potentials assumes most serious proportions in the light of an immediate balance of payments problems. Philippine international reserves have dropped to a precariously low level—unprecedentedly lower than any which has caused great concern in the past.

Finally, we are faced with a serious population problem. Philippine population growth is one of the highest in the world. The country's requirements for consumer and capital goods must grow with it.

Urgency of the Problem

The urgency of the problems of the present definitely calls for drastic changes in our monetary, fiscal and exchange policies. Because of government inaction, speculation has become the order of our day. Exporters have been holding back negotiations of export sales. Importers have been fast building up inventories of imported goods in anticipation of higher costs.

Uncertainty and instability are visible under the symptoms of rising prices, low purchasing power of the currency and increasing unemployment. Fiscal revenues have not increased in proportion to the clamor for more government expenditures. Consequently, the public debt has increased considerably.

But most important of all, our own investors have for at least the past three years held off making long range plans until the government policies become clearer and more stable. The climate, far from being beneficent to the type of long-term saving and investment which our situation requires, is hostile to long-range planning and encourages short-term speculation.

In the light of these facts, I must declare that government action is imperative. To this end, we must—

a) establish immediately a new, stable base for business valuation and planning to remove the uncertainties that pervade the present economic atmosphere; and

b) set clear directions for overall economic, monetary, fiscal and commercial policies and for government investment programs in order to generate a new dynamic for continued economic growth.

THE FIVE-YEAR INTEGRATED SOCIO-ECONOMIC PROGRAM

Need for an Economic Development Program

It is essential for the government to formulate and adopt an integrated economic program. Without it, all economic development efforts will be haphazard, sterile, and ineffectual. There will be uncertainty and the business community will remain in a state of doubt as to what economic policies, decisions, and activities the government will undertake.

Past Efforts.—The sluggishness in the pace of economic development in recent years was largely traceable to our failure to officially adopt a concrete economic blueprint that sets down vividly the course which the public authorities are to pursue in the matter of promoting economic growth and which the business community and the people at large may utilize to advantage as a guidepost to their own efforts.

It is true that there were attempts to formulate an economic planning program for the country, notably by the National Economic Council. The last program formulated by the Council was for the period 1959-1962-The plan, however, remained good on paper only as it did not receive presidential approval, much less congressional adoption.

Our Program.—I am, therefore, submitting to this Congress, as part of this message, an integrated five-year socio-economic development program which we propose to adopt and implement during our tenure and which both the Government and the private sector may use as a guide. This program focuses attention on the most pressing economic problems of the country and incorporates within its framework our economic philosophy translated into concrete, appropriate policy measures and institutional reforms.

As it shall be tedious to read the whole program on this occasion, I have appended it to this message as Annex A.* For a proper appraisal of this program, I suggest for supplemental reference the recent study made by the World

Bank on the Philippine national economy, dated January 4, 1962, as well as the last economic development plan made by the National Economic Council, printed copies of which are also appended hereto.

Objectives of Our Program

While I commend to Congress the full perusal of this socio-economic program, I should like to underscore some of its more significant highlights.

The great goals we seek and the critical condition of the economy today make it essential for the Government to accomplish the three-fold objective of: 1) immediately restoring economic stability; 2) alleviating the plight of the common man; and 3) establishing a dynamic basis for future growth.

RESTORING ECONOMIC STABILITY

The present speculative atmosphere in Philippine business springs from uncertainty with respect to government policies. With the objective of immediately stabilizing the economy, and apropos of the five principal sources of instability I have earlier indicated, we propose to implement—

First, a program of exchange rate adjustment and unification and a procedure for orderly decontrol to transfer the allocation of foreign exchange to a genuinely free market;

Second, a set of complementary measures to protect Philippine and Filipino industry and agriculture from undue foreign competition at their “infant stages”; and

Third, a set of policies and measures to provide guarantees to foreign investors in particular lines of investments, principally mineral exploration and heavy industries such as iron and steel and basic chemicals, together with an official declaration of preference for joint international business ventures with substantial Filipino capital and management participation.

GENUINE DECONTROL AND FOREIGN EXCHANGE PROGRAM

It is my privilege to inform Congress that yesterday, January 21, 1962 I approved a unanimous decision by the Monetary Board of the Central Bank, embodied in its Circular No. 133, to institute the first large measure of genuine decontrol in our foreign exchange transactions since the establishment of exchange controls over a dozen years ago. This is both in fulfillment of our electoral pledge to the Filipino people and in compliance with the provision of the law requiring decontrol by 1963. In an atmosphere of freedom, our entrepreneurs and citizens may now achieve prosperity for themselves and the country not through artificial advantage but through their talent, integrity and industry.

Exchange control had become a cesspool of corruption that brought disgrace to the Nation. With genuine decontrol now in effect, we have removed a vital source of graft and, I trust, we have thus shown that we are ready to give up a part of the economic and political powers of the Presidency to eradicate corruption and promote the national wellbeing.

This action had become imperative and desirable for several reasons. The imbalances of the past must be righted. The administration of controls had become so complicated and cumbersome that only a sweeping change could remedy the situation. There was such a shocking maladministration of economic policy, particularly as regards fiscal and foreign exchange policies, that inflationary forces had been reactivated and our dollar reserve had been virtually wiped out. At the same time, a new climate was desirable in which our economy could move forward with confidence and optimism despite transitional difficulties.

It may now be expected that with genuine decontrol instituted in our foreign exchange transactions, a completely new atmosphere will prevail in our economy. The allocation of foreign exchange and the determination of the ex-

change rate will be left to market forces rather than to the arbitrary decisions of administrators. We should clear the obstacles which have grown up in the past during the regime of controls, and liberate the energies and imagination of our people and our entrepreneurs for economic projects of lasting value to the country. For the first time, the people will have it in their hands to determine the true external value of the peso by their freedom in buying and selling, without the necessity of licensing. With the uncertainties of an arbitrary control mechanism removed, I expect renewed investments to take place. Furthermore, with barriers to free movement removed, I expect foreign investments to come in an ever greater flow to supplement our savings and augment our investments.

As is the case with any necessary moves of a sweeping nature, there will be difficulties at the outset, but these will be transitional and should lay the base for real economic stability with a more rational economic system in the future. Some of these difficulties are the necessary outcome of the previous practice of disguising overall arbitrary and inflationary policies by favoring a few commodities with special treatment. In so doing, they only postponed the real solution to our problems by diverting our productive resources away from the production of substitutes for these commodities.

In order to prevent runaway inflationary movements, the Monetary Board has taken complementary measures to restrain the unwarranted creation of credit, especially for speculative purposes. As a further protection to consumers, I have directed the Secretary of Justice to study and alert the applicability of Article 186 of the Revised Penal Code aimed at conspiracies and combinations in restraint of trade or collusions in fixing prices.

All these moves have been taken after consultation with and approval by the International Monetary Fund. In addition, we have secured commitments from the United States Government and from private banking institutions to support our decontrol program. I am glad to announce that the Special Presidential Mission to the United States headed by Acting Secretary of Finance Fernando E. V. Sison has secured financial support for these moves in the amount of \$300 million. This does not include the amount of \$55 million still available from the International Monetary Fund, \$93.7 million worth of commodity accommodations from U.S. Law 480 and \$73 million from additional war damage payments. We can count on further support from both international and United States entities including the U. S. Treasury once our decontrol program is underway, as well as financial support that may be negotiated with other countries.

In substantiation of this statement, I quote hereunder a dispatch datelined Washington, relayed by UPI and published in this afternoon's papers, as follows:

"Washington, Jan 21 (UPI)—The United States demonstrated its support of the new Philippine program by announcing it will provide the Philippines with loans from the Agency for International Development and the Export-Import Bank.

"The U.S. Treasury will also assist President Diosdado Macapagal's new foreign exchange program with its stabilization fund."

Our decontrol program, therefore, is fully backed up by massive and more than adequate financial support that we have merited from external sources. With the cooperation of all concerned, I am confident that the decontrol program will succeed to pave the way for a stronger economy and prosperity in freedom for our people.

I must emphasize that the launching of genuine decontrol is only the short-term commencement of our long-term economic program. We are laying the basis for stable and orderly growth with a stable and orderly currency. I am arranging for large long-run production and development credits to bolster our investment effort, as distinguished from short-term commercial credits which have been used at times for speculative purposes. I am also going ahead with plans to set up a private industrial development bank, towards whose subscription we expect to secure external financing both from international agencies and from funds generated under U.S. Public Law 480.

I feel confident of the success of the decontrol program, both because of the complementary measures that go with it and the massive financial support which we have merited from external sources. I call on our people to face the new situation without apprehension and excitement and to set their sights on the prospects of a bright future rather than

on the temporary difficulties of the present. I assure our people that I have taken this step in fulfillment of my sworn duty to serve only their welfare. Some transitional difficulties are perhaps inevitable but in due time, the situation will open the enjoyment of a better life for our people. The best norm of conduct for all is to behave with restraint and patriotism so as not to place undue strain on our currency. I feel confident that the people will comport themselves in their own best interests.

As we have taken the measure of genuine decontrol for the wellbeing of our people, we will not brook any conspiracies against them by attempts to foil up the program. Should any speculative movements arise, I declare that the ample financial resources which we have secured will be deployed against movements unwarranted by normal market forces and that the full force of the law will be brought to bear against speculators and conspirators.

In any event, such speculative movements cannot be of long duration, as our economic development program goes into gear and the country's production begins to fill the pipelines of commerce and to elevate the living standards of our people.

To cope with the long-run foreign exchange problems of the country, the integrated economic program sets as one of its major objectives the promotion of our export trade in order to raise adequate foreign exchange resources a) to meet the import requirements of the nation for the next five years; b) to honor all the foreign exchange liabilities of the country including investment remittances, interest and amortization on foreign loans and repatriation of capital; and c) to generate an increase in the international reserves which will provide the fund adequate to stabilize the international value of the peso.

Policy of Protection to Domestic Industries

One of the principal fears of business in the decontrol of foreign exchange is the loss of the protection which exchange controls provided to domestic industry against undue external domination. There is no valid ground for this fear. As the exchange control machinery is dismantled, the alternative means of achieving the legitimate ends of controls shall be instituted. To this end, I have availed of the power granted us by law to increase the rates of import duty on nearly 700 articles already being produced by domestic industries in order to provide them a means to meet the loss of the protection they have enjoyed under exchange control. Besides this measure, we propose—

- 1) To make such further increases in the tariff as may be found necessary to provide a reasonable margin of preference which will render domestic producers more competitive;
- 2) Wherever necessary, the Tariff Commission shall recommend the imposition of countervailing duties under Section 302 of the Tariff Code to offset benefits that may be derived by imports from foreign subsidies. To the same end, the Secretary of Finance has been instructed to immediately cause to be undertaken a study of articles of imports that are being “dumped” into the Philippine market from abroad within the context of Section 301 of Republic Act 1937;
- 3) The Tariff Commission has been directed to immediately investigate, in accordance with Paragraph G of Section 402 of the Tariff Code, whether and to what extent commodities imported by the Philippines from countries with which a trade agreement has been entered are being imported in such increased quantities as to cause or threaten serious injury to the domestic industry producing like or directly competitive products in order to recommend the establishment of import quotas for the protection of the domestic industries affected.

Policy on Nationalization as It Affects Foreign Capital Inflow

It will be noted that the program raises the necessity of earnestly attracting foreign capital to assist in the financing of the program. For this reason, a healthy climate for foreign investments must resolutely be created. This task is related to nationalism, with respect to which it is desirable to set forth concretely and clearly the position of the Administration.

The Administration upholds nationalism. Properly channeled, nationalism is a constructive and powerful force in the growth of a nation. Its assertion considers relevant factors such as choice of field and timing. It has been asserted wisely in the nationalization of the retail trade, which is the channel of distribution of the elemental requirements of our masses in their day-to-day living. It has been asserted even more wisely in the nationalization of the rice and corn industries, which provide the staple food of our people.

While we uphold that the principal responsibility for development should belong to Filipino citizens, who must be the principal determinants as well as chief beneficiaries of Philippine economic progress, we at the same time caution against the type of radical nationalism and nationalization measures that deter the coming of foreign assistance in our economic development. We must be sincere in attracting foreign capital to invest in productive enterprises in our country in joint ventures with Filipino businessmen and must show this sincerity not in words but in deeds.

ALLEVIATION OF THE PLIGHT OF THE COMMON MAN

The second goal of our integrated economic program is the immediate alleviation of the plight of the common man. In comparison with the living standards of the relatively wealthier countries, ours in the Philippines is far from adequate. The per capita consumption of superior foods like meat, eggs and milk, beans and vegetables is far below healthy nutritional standards and much lower than what obtains in wealthier countries.

Moreover, within the Nation itself, the distribution of welfare is far from satisfactory. This is indeed a nation of contrasts where very few regions and communities enjoy affluence in contrast to widespread poverty in others.

It is our avowed task in the program to translate objectives into specific improvements in the overall level of economic welfare and its distribution. Improvement in this sense means that our production capacity must grow more rapidly than the growth of our population. It also means that those regions that have lagged behind in progress must be given special assistance to enable them to participate more fully in over-all national progress.

The Rice and Corn Program.—In accordance with my pledge, I have incorporated, as a major feature of our five-year socio-economic plan, a rice and corn program to bring about, at the earliest possible time, sufficiency in those cereals at prices within the reach of our masses. It is paradoxical that in a land with resources ideally suited to the production of rice, the country is unable to produce enough of this product which is the staple food of our people. We must liquidate this problem with resolve and success as a first priority. It is ironical to talk of magnificent plans for progress and prosperity if we cannot even provide the rice and corn that our common people cannot go without in their daily lives. Before attempting anything else, let us work together to insure that our people have and be able to afford the rice and corn that they need in their daily living.

We shall also concentrate our efforts to raise agricultural productivity throughout all the regions in the country in order to achieve self-sufficiency in food production. It is incumbent upon government to provide improved irrigation and water control facilities, the continuation of subsidies for fertilizers and seeds, expansion of research programs for developing high-yielding and disease-resistant varieties of agricultural crops, the establishment of liberal credit facilities, and the improvement of marketing and transportation networks.

Program for Employment.—Our greatest task in improving the welfare of the masses is to ensure that opportunities for employment are generated. Our program envisions that the attainment of the target increase in overall domestic production of about 6 per cent per annum over the period FY 1963 to 1967 will ensure that some 330,000 to 360,000 jobs will be provided annually to absorb a large portion of the yearly increase in the labor force. It is also a part of our program that the greater portion of the annual increase in employment is to be absorbed in industrial production. This will increase the average wage earnings of the mass of our workers.

Public Services.—I also propose greater outlays by the Government for public services designed to improve the general living standards of the people, particularly in the less developed areas of this country. It is my belief that the Government can provide a total outlay of P656.6 million for public education, about P15 million for low cost housing projects and P470 million for public health over the next five years. The public health program shall include

expansion of health services in rural areas, water supply, reduction of infant mortality, tuberculosis and malaria control, establishment of medical research centers, and nutrition research.

ESTABLISHMENT OF DYNAMIC BASIS FOR FUTURE GROWTH

Our final goal is to establish a framework of policies that will give a stable basis and a more realistic and sober impetus to a new growth trend which will extend much farther into the future. The new dynamic for economic progress that we seek and should attain must be of a more genuine quality and must provide a richer and longer lasting energy for national progress.

In assuming our proper responsibilities, we shall be guided by the economic philosophy of Faith in the Filipino. We believe that economic development is principally a task of private enterprise and not of government. The government's role is to create a favorable environment that will provide the inducements necessary, in terms of suitable policies and measures needed, to foster economic growth and stability. It must be in a position to devise new and effective methods, democratic in character and spirit, to induce the private sector—properly called the dynamic sector—to risk idle capital for development purposes.

The exchange rate adjustment and the stabilization program are expected of themselves to create a fundamental climate favorable to investments in the required lines of activity. The specific role of government will be to provide direct assistance where needed, to establish required social overhead facilities, and to ensure that bottle-necks to production are neither created nor allowed to persist.

I must point out, however, that the restoration to a large degree of the freedom of enterprise does not remove from government the obligation to exercise economic leadership. On the contrary, government leadership not only becomes all the more important, but its exercise must be all the more firm as it is all the more just, imaginative and skillful.

Requisites for Government Economic Leadership.—The first requirement for government is to ensure the judicious application of public investment programs to the establishment of basic facilities such as roads and irrigation systems, transportation and communications networks, hydroelectric power, harbor facilities, and the development of land, forest and mineral resources. The program envisions that it is feasible for the Government to put up directly P2,809 million over the five-year period 1963 to 1967 for these purposes. These investments will amount to an annual average of P562 million to be financed from current government savings, reparations, foreign loans, and domestic bond issues.

The second requirement for government is the establishment of a complement of policies designed to induce and mobilize the maximum of internal domestic savings and the maximum external financing in order to sustain the overall investment requirements of the economic development program.

Over the five years from FY 1963 to 1967, we anticipate that a total of P11,500 million must be mobilized in the form of domestic savings out of a total gross national income of P78,200 million expected over the same period.

All the powers at present available to induce savings out of current incomes must be put to effective use. The Central Bank of the Philippines shall be urged to push with greater vigor the establishment of local community cooperative banks and savings and loan associations and to encourage these institutions to offer more attractive inducements for systematic savings plans.

It is necessary to undertake a careful re-examination of the tax structure so as to ascertain the impact of the present tax rates on investment activity and living costs; to adjust the rates or eliminate those taxes that are either unduly inequitable or are hampering the growth of investments and output and to recommend new tax measures to support the government's socio-economic program. The Executive-Legislative Tax Commission should immediately apply itself to this problem and make appropriate recommendations as early as possible for desirable changes in the tax structure consistent with the basic objectives of economic policy.

It is likewise the objective to promote the expansion of the facilities and resources of existing financial intermediaries, and the establishment of new ones designed to induce habits of thrift in, and mobilize the savings of the rural communities.

In anticipation of foreign investments and loans from abroad, our program proposes to provide facilities for private business that will enable them to meet the requirements of foreign investors and creditors in a manner that will redound to the greatest advantage of the country.

We likewise foresee that the establishment of a new complement of policies necessitates adjustment—the beneficiaries of older policies are likely to suffer the burden of losing benefits. It is incumbent on government to anticipate and measure the costs of adjustment, and to distribute its burden in an equitable manner.

THE OVERALL TARGETS OF THE PROGRAM

The goal of the program is essentially to ensure that domestic production, augmented by imports, shall be adequate to supply the needs of our people.

In order to meet the requirements and to improve overall levels of living, gross domestic product needs to grow over the five-year period at a compound rate of 6 per cent. The annual growth rate must rise from 5.5 per cent between 1962 and 1963 up to 7.0 per cent from 1966 to 1967.

The targets are feasible provided—

1. An average of 16.1 per cent of gross domestic product is channeled into gross domestic investments during the five fiscal years;
2. Gross domestic savings including reinvestments of foreign earnings in the Philippines reach 13 per cent of gross domestic product in FY 1963, 13.8 per cent in 1964, 14.6 per cent in 1965, 15.4 per cent in 1966, and 16.0 per cent in 1967;
3. There is a total net inflow of new foreign capital into the country of roughly U. S. \$860 million during the five-year period; and
4. The export earnings of the country total U. S. \$3.7 billion during the period or an average of \$740 million annually.

The rate of gross domestic investments is intended to mobilize new capital formation of P12.7 billion over the five fiscal years. This amount has been allocated on the basis of a first approximation of sectoral and regional priorities that give emphasis on the production of import substitutes such as integrated iron and steel, basic chemicals, pulping plants, expansion of agricultural food production and processing, and the development of the cattle and dairy industries.

The Government's share in the total investment target is placed at P2.8 billion or 22 per cent of the total target of P12.7 billion. The public investment program includes principally P1.3 billion for water supply, roads, highways and irrigation, and P1.1 billion for power development, and expansion of railroad lines and of telecommunications.

In these magnitudes, the total program can be financed entirely from non-inflationary sources: from domestic savings as well as foreign loans and investments. In addition to the normal growth of domestic savings flowing through such financial intermediaries as the commercial banks, the Government Service Insurance System, the Social Security System, the Postal Savings Bank and the private insurance companies, the program contemplates the establishment of rural savings institutions and cooperative banks to encourage systematic savings out of current income in the farm areas.

The anticipated government revenues during the program period are expected to cover current expenditures and a little savings to finance a portion of the public investment program. The balance will be financed out of bond issue sold at competitive money rates directly to insurance companies, pension funds, private banks, and other private investors.

An outstanding feature of the program is the contemplated reorganization of public administration to improve the machinery for the formulation and implementation of consistent economic plans and fiscal and monetary policies, to achieve maximum coordination among the various departments of the Executive Branch of Government in the pursuit of economic objectives, and to attain more rigorous control over government budgetary and developmental expenditures.

SPECIFIC RECOMMENDATIONS

I shall take the initiative of immediately implementing those remedial measures that need no legislation, and such part of the program will be the responsibility of the Executive.

But many of the specific measures that must be established require legislative action. They shall be measures of far-reaching implications.

I, therefore, recommend for your consideration the enactment of legislation which would establish, promote, and sustain the following specific measures:

For Moral Regeneration

1. The establishment and financing of a Moral Commission composed of outstanding and upright leaders in government, religion, education and the professions. This Commission shall study and recommend ways and means by which all elements and institutions of the country may be mobilized towards the goal of national moral regeneration.

For the Immediate Alleviation of the Plight of the Common Man

2. The adoption of a comprehensive program on rice and corn which shall achieve self-sufficiency in these cereals at prices within the reach of the masses; and the establishment and financing of a Rice and Corn Administration to implement the program. This entity shall absorb the functions of the NARIC and shall coordinate various programs concerning the production, processing, and marketing of rice.

3. The enactment of legislation to assist private enterprise in the creation of job opportunities. Specific measures will be submitted to Congress to support employment projects that not only will create jobs but will also simultaneously increase production and productivity.

4. The appropriation of funds for the construction of apartment houses for displaced squatters and persons pertaining to the lowest-income groups who shall pay nominal rentals for occupancy thereof.

5. Greater outlays by the government for the improvement and expansion of essential public services designed to raise the general living standards of the people, especially in economically-depressed regions of the country. These public services include education, more low-cost housing, and public health.

For Support of the Decontrol Program, Restoration of Economic Stability and Establishment of Dynamic Bases for Future Growth

6. Further revision of tariff rates as Congress may deem necessary with the following objective:

- a. To use tariffs as instruments of economic development by protecting our domestic industries until such reasonable time when these industries can be exposed to world competition.
 - b. To discourage conspicuous consumption by imposing prohibitive tariffs on luxuries.
7. The passage of a foreign investments law, with the following objectives;
- a. To clearly delineate the fields of economic activities open to foreign capital, thereby protecting the preferential rights of Filipinos in certain economic fields.
 - b. To attract new foreign investments to flow into the country.
 - c. To define unequivocally the treatment of foreign capital, particularly concerning repatriation of capital and remittances of profits.
8. The enactment of an appropriate law imposing a selective export tax on certain protected exports, and on raw materials that can be processed locally, with the following objectives:
- a. To prevent inflationary pressures arising from decontrol and generated by generated by windfall incomes of recipients of foreign exchanges.
 - b. To expand government sources of investible funds for overhead projects essential to economic growth, by obtaining such funds from a sector which has ample resources.
9. The repeal of the margin levy on foreign exchange, to give relief to the consumers who will ultimately bear the burden of adjustments in the exchange rates arising from the decontrol program.
10. The repeal of the barter law.
11. To re-examine and revise the tax structure so as to ascertain the impact of the present tax rates on investment activity and living costs; to adjust the rates or eliminate those that are inequitable and to enact new tax laws to support the government's industrialization program. Specific tax bills shall be presented to Congress in due course during the regular session.
12. To amend the charters of the Development Bank of the Philippines, the Government Service Insurance System and the Social Security System in order to funnel the funds of the last two entities to the Development Bank of the Philippines for lending purposes, with the view to expanding the authority of the latter to grant long-term industrial and investment loans for productive enterprises.
13. The creation of an Anti-Smuggling Office to eradicate smuggling activities that seriously deprive the National Treasury of due customs and internal revenue receipts,
14. The adoption of the five-year integrated socio-economic development program embodied in this message, in order that this program may become not only the program of the Administration but also of the entire Government. Thereby, the program shall serve as the nation's guidepost for economic progress and shall be effectively implemented through the joint efforts of the people and the Government.

CONCLUSION

Need for Sacrifice

Allow me to impress upon you and upon all citizens of the Republic that the task of achieving a modicum of economic development, especially in a developing country like ours, requires serious and concerted effort on the part of both the Government and the people.

Attainment of the desired goals will depend mainly upon public support and a sympathetic understanding of our objectives.

The Government takes the initiative and provides the inducements necessary in terms of suitable policies and measures needed to foster economic growth and stability.

The people, on the other hand, must realize that economic development involves, particularly during transitory stages, sacrifices of magnitude and the subordination of personal ambition and interest to the general welfare.

I say then with candor and emphasis that our people must be ready to undergo sacrifices. The prospects of better times are not likely to be realized without the imposition of self-discipline and the assumption of certain social responsibilities. Progress and prosperity will come. It will come, if all the people rally to maintain economic freedom and security and a higher standard of living for themselves. Single-handedly we cannot realize these objectives. Together, we shall.

Executive-Legislative Collaboration

The responsibilities of the Executive and Legislative branches of the Government are just as demanding. All the agencies of the Executive, including financial institutions and corporations, will be mobilized towards a coordinated implementation of the program. We shall take particular pains to see that there is a minimum of conflict between our announced goals, our economic philosophy, and the day-to-day operations of all those government agencies with which the private sector is continuously in contact.

But the Executive alone cannot meet the prodigious tasks that are required to supply the needs and demands of our people. The Legislative branch has a share in this responsibility. I seek your full cooperation. I will submit additional legislative proposals to this body which are necessitated by an integrated analysis of our economic situation, our problems and our requirements that constitute the basis of our program. From time to time, as the situation requires, I shall come to consult you on pressing matters requiring legislative action.

No one is more aware than I of the coordinate importance of the Executive and Legislative departments of our Government. I am aware of their basic independence of each other.

I am also aware of the need for cooperation between them if the business of government is not to suffer, and if the welfare of the people is to be safeguarded. I therefore appeal to each member of the Fifth Congress to set aside partisanship and contribute his experience and wisdom to the common task entrusted to us by our people. We face a challenge to our free political system, to our dedication as public servants and to our patriotism as Filipinos.

We have been elected under different parties but we have been elected by the same people. As the people did not mind our political parties in placing in our hands their welfare and future, so are we called upon not to mind our parties in serving their well-being. Adhering firmly to this attitude, with minds anxious over our people's difficulties and hearts full of sympathy for their just longings for a better life, I have faith that Almighty God will show us the way that we can take together towards the fulfillment of our Nation's dream for a life of dignity, prosperity and freedom.

Legislative Message of President Macapagal on Tenancy Abolition and other Land Reforms

Legislative Message of His Excellency Diosdado Macapagal President of the Philippines On Tenancy Abolition and other Land Reforms

[Released on March 19, 1962]

A NATION that flies from realities succeeds merely in postponing its own progress. The realities remain. The future belongs to those courageous enough to confront the necessary but disagreeable tasks of today.

For decades, our leaders have temporized with the problem of land reform. They have found all kinds of reasons for not daring to go forward. Somehow they always fell shy of the truth that the great stumbling block to our national progress, though certainly not the only one, was the antiquated land tenure system. We know, in our hearts, that any further steps forward would be possible, for this nation, only if this block were removed.

In our confrontation of this problem, the moment of truth has arrived for all. Suddenly a challenge of greatness is thrust upon the leaders of this nation, but especially upon the representatives of our people in this Congress.

I must impress upon you the importance of a decision vital to the development of the agricultural potentials of this nation. I find it my duty to rouse you into a new awareness of the problem, to appeal to you for support to a program designed to promote the general welfare, to ask you to take the bold but realistic steps which our economic situation demands. We cannot hope to build a strong and self-sufficient nation without strengthening its foundations.

Land is our most valuable resource; agriculture, the most important means of converting its potentials into the necessities of life. For all its national importance, agriculture in the Philippines has progressed so slowly that we must constantly race against population growth. Our production is low; it takes three families in the agricultural sector to produce the necessary food and fiber for themselves and one family in other sectors of our economy. Compare this rate with that of the American farmer who produces food for 23 Americans and three foreigners. Our production is hindered by the very structure that should support it—the social structure through which we use our land. Although many of our people are engaged in agriculture, they fail to produce sufficient raw materials to develop our industries. This is not their failure, really, but ours, for we have not provided them greater opportunities.

Agricultural production in the Philippines is largely dependent on the efforts of small farmers. Forty per cent of our farmers do not own the land on which they were born and the land on which they will spend the rest of their lives. The land producing our staple crops of rice and corn and one of our most important export crops—sugar—is predominantly operated by tenants.

The poverty of our rural areas tends to increase in direct proportion to the incidence of sharecrop tenancy and its concomitant, absentee landlordism. In failing to change the status of tenant farmers, we set narrow limits to our own agricultural productivity; we abet poverty; we abet grave social injustices.

As a sop to our conscience, we have taken some halting and half-hearted steps to mitigate the tenancy problem. But such reluctant, stop-gap solutions no longer suffice. We have reached a stage in our national growth which makes genuine land reforms imperative. To go forward in social and economic development, we have first to recast the structure of agriculture to enable it to grow in productivity and give momentum to industrial progress.

Unfortunately, the common opinion toward land reform is that it is for the benefit of the poor and at the expense of the rich. On the contrary, land reform, by increasing production and income and by giving dignity to a large portion of our people, can be instrumental to general social and economic progress.

In our small farmers lies a great potential of energy for growth. Let us unleash these tremendous productive energies. Tied up in our land is a large amount of needed capital resources. Let us release these resources so that our business and industry may go forward. In the end, we can all look back to this day and recall with satisfaction that we had the courage to face the demands of reality and to take this challenging step for the delivery of our people from economic and social bondage.

OBJECTIVES OF THE PROGRAM

Our minds and our will must come together to achieve this major change in the land structure, so that the land may be used more effectively for the direct benefit of the agricultural population and of the nation as a whole. More particularly, our Land Reform Program seeks the following objectives:

1. To replace share tenancy with an agricultural leasehold system as an initial step in creating a truly viable social and economic structure in agriculture conducive to greater productivity and higher farm income.
2. To establish owner-operated family-size farms as the foundation of Philippine agriculture.
3. To increase farmers' productivity and income.
4. To enhance the complementary relationship between agriculture and industry.

These objectives must be weighed against the poverty, degradation, and insecurity in our farm areas, manifested by low incomes; low productivity; primitive farm methods; usurious practices; unemployment and underemployment; high birth rate; poor nutrition; endemic diseases; illiteracy; and substandard housing facilities.

These problems have defied every solution because none of the previous remedies have dared to change the social structure of the land. The government can go on voting huge sums for agricultural development and will go on wasting them so long as the present land tenure system remains unchanged.

There are four underprivileged groups in need of the opportunities provided in the Land Reform Program, namely:

1. The tenants, estimated at about one million families,
2. The settlers, who move from highly tenanted areas to newly-opened, undeveloped public lands,
3. The agricultural wage-earners, including migrant workers, and
4. The owner-cultivators of less than family-size farms.

Each of these four groups represents a corresponding group of problems at which we must aim the Land Reform Program. These are:

1. The sharecrop or "kasama" tenancy system, which deprives the farmer of a just share of the produce, makes his tenure insecure; exposes him to usurious practices and to perpetual indebtedness; and forces him to be idle outside the four or five months spent on the farm.
2. The ineffective and haphazard resettlement system, which prevents settlers from congested and highly tenanted areas from taking up productive lives in public agricultural lands.
3. The helpless position of agricultural wage-earners, who have no access to the protection of the Magna Charta of Labor.

4. The lack of credit, irrigation, marketing, and information facilities among the small owner cultivators, aggravated by the lack of organization among them.

Under this Land Reform Program, therefore, the share tenant will be provided with the initiative and challenge of assuming the responsibility for increasing agricultural production; we will give the settler every facility to begin a productive life in public agricultural lands; we will give the farm hand a chance to organize with his fellow workers and bargain with management for better terms of work; and we will give the farmer an opportunity to purchase land, preferably of family-size, and to get the most from it.

Finally, we will help all four groups—making up the majority of our agricultural population—to increase their efficiency and their productivity, turning them into independent, self-reliant and responsible citizens, a true source of genuine strength in our democratic society.

ABOLISHING SHARE TENANCY

Tenants, most of them share tenants, comprise approximately 40 per cent of our farmers but occupy only 25 per cent of our farm area. On the average, they operate 2.4 hectares; a great majority of them, however, operate farms too small to provide even minimum subsistence. Among all tenure groups, tenants employ the most primitive methods on the farm. They also have the lowest farm production and the lowest farm income.

The implication is inescapable: the tenure status of the tenant does not provide the necessary incentives for increasing production. His farm operations have to be sanctioned by the landlord who usually provides the credit. Any increase in yield through his extra effort is shared by the landlord. Increase in yield from the use of good seeds, fertilizer, and insecticides are shared by the creditor in the form of exorbitant interest rates. Thus, tenanted farms are pictures of stagnation and hopelessness; any attempt to improve their lot becomes only wishful thinking.

The Philippines, committed to the principle of social justice, makes these specific provisions in its basic law: ‘The State shall regulate the relations between landowner and tenant and between labor and capital in agriculture.’ Despite a phalanx of laws, the tenancy problem has hardly been touched and the goal of equity in landowner-tenant relations continues to elude us. The reason is simple: All such laws, while striving for the ideals of equity and social justice, are at the same time premised on the perpetuation of share tenancy.

As an initial step in the Land Reform Program, share tenancy will be abolished and an agricultural leasehold system instituted in its place—preparatory to proprietorship. This will open to tenants a wider horizon for self-improvement and progress. It will likewise provide them the necessary incentive and challenge to increase production, for under this set-up they will be real managers. They will assume all the responsibilities but they will also receive all the gains from better management and harder work.

On the other hand, the landlords will be guaranteed reasonable returns from ownership for they will now have farmers who are striving and working to get the most out of the land.

EQUAL PROTECTION FOR AGRICULTURAL WAGE EARNERS

A large portion of our people who depend on agriculture for a living are wage earners. They are hired laborers who depend on wages and their employer's frame of mind for their daily subsistence. Many of them are migrant workers in the sugar industry. Unorganized and unprotected by laws on labor standards, they receive a daily wage ranging between P0.56 to P4.00; they work from 6 to 11 hours a day; some of them live in quarters allowing no more than 1.2 square meters to a person; they derive their drinking water from open wells with soggy shoulders.

Inequality in income distribution is the result of inequality in bargaining power. The inferior position of labor in employment relations is the direct result of competition in the labor market, the superior legal assistance available to employers, the weakness of labor in individual negotiations, and the strength employers derived from their economic resources.

We propose therefore to give farmers their own “Bill of Rights” comparable to the Magna Charta for industrial workers. The new Magna Charta for the farm laborer should contain provisions:

1. Guaranteeing him the right to egress and ingress in the haciendas for purposes of self-organization;
2. Giving him the right to self-organization;
3. Recognizing his right to engage in concerted activities including the right to go on strike;
4. Outlining procedure for certification election;
5. Enumerating acts which shall be considered unfair labor practices (in the case of the employers, unwarranted interference with unions);
6. Giving the Court of Agrarian Relations exclusive jurisdiction over all disputes arising from landowner-farm worker relationships.

Farm laborers should be given an equal chance for a better life. They should enjoy equal rights and be provided the same opportunities as workers in the industrial sector. They should also be given an equitable share of the products of their labor through an increased minimum wage—without however overlooking the limitations to the capacity of employers to absorb additional labor cost. In short, we propose to remove discrimination in the law against agricultural wage-earners.

EXPANSION OF THE COURT OF AGRARIAN RELATIONS

Failure to appreciate the nature of the changing social structure may bring to the courts cases of disagreement. Delay in the adjudication of cases can only militate, in time and in cost, against farm workers. For a more efficient and expeditious administration of justice, the jurisdiction and operations of the Court of Agrarian Relations will be expanded to provide an adequate framework for a full implementation of the Land Reform Program.

The Court of Agrarian Relations is currently charged with only one main function: to decide and settle all disputes involving relationship between landlord and tenant. To this should be added the powers: (1) to hear and decide all expropriation cases for land reform; (2) to take cognizance of all land registration proceedings arising from the Land Reform Program, both of which are at present within the sole jurisdiction of courts of first instance. To further relieve the ordinary courts and the existing quasi-judicial agencies of the government of their undue burden of pending cases, the Court of Agrarian Relations will be vested with the power to hear all types of disputes between agricultural wage-earners and landowners, including those arising from money claims and cases involving violations of labor laws.

EXTENSION AND OTHER TECHNICAL SERVICES

Essential to and implicit in the whole purpose of the Land Reform Program is the progressive improvement in the productivity of the farms and the farmers. Increase in agricultural productivity is the necessary force that will move the objectives of the program into reality. Lessees who have acquired independence in the agricultural process, therefore, have to be provided the necessary extension and other technical services to establish their status on firm ground and further develop in him the characteristics necessary for farm ownership.

Land reform should not only provide farmers with the opportunity for self improvement but should also have the requisites for carrying it through to completion. Incentive to increase productivity is of utmost importance but will not completely insure a sustained growth in agricultural production. We must make sure that our rapidly growing population will not only eat, but will eat better. We should therefore provide our farmers with the means of pursuing their aspiration for a better life.

Agricultural production in the Philippines has increased largely because of the increase in the size of our cultivated area. The time has come for us to increase the productivity of every hectare of land, of every man that tills the soil and of every peso spent for production. We have a pool of knowledge which can be employed by our farmers. We should bridge the gap between knowledge and application so that our farmers can better assume the responsibilities of producing the food and fiber for our population and of preparing themselves for every step of the ladder toward land ownership.

To this end, and for the larger benefit of the whole economy, the agricultural extension service should be strengthened and redirected towards the goals of land reform. The extension service should have a sufficient number of properly trained personnel. The extension worker can impart to the farmers the dignity of the task of producing the vital needs of the nation, demonstrate improved farm techniques and methods, relay vital research information, secure for them the assistance of other agencies, reorient them towards a market economy and guide them in the proper conduct of their farm business.

To lend greater strength to the farmers in buying their farm supplies and consumer commodities and in the marketing, including processing, of their crops; to promote wider ownership of equity capital in business enterprises; and thus to establish a broader foundation for private enterprise and progressive economic democracy, the promotion of agricultural cooperatives should be aggressively and intensively undertaken. One weakness of our past cooperative program is the fact that cooperatives were formed from the top. As a consequence, farmers lost the sense of participation in the ownership of cooperatives which had been formed for their welfare. The educational work of extension agents on the nature and operations of cooperatives will promote their formation from the grassroots level. Such precondition is one of the necessary elements of success of the cooperative movement in the Philippines.

The basic function and activities of the Agricultural Tenancy Commission being essentially promotional, educational and informational, and share tenancy now being outlawed, this Commission should be abolished and its functions transferred to the Bureau of Agricultural Extension, which will be known as the Agricultural Productivity Commission.

To achieve the goal of increased national agricultural productivity along with the other objectives of the Land Reform Program, the Agricultural Productivity Commission shall also be responsible for implementing a land-use program designed to make the most efficient use of our land resources.

OFFICE OF AGRARIAN COUNSEL

Many of our farmers are not in a position to assume the cost involved in court cases. There is need to extend free legal assistance to agricultural lessees and owner-cultivators who cannot afford the services of private counsel. For this purpose, the Tenancy Mediation Commission will be abolished and replaced with the Office of Agrarian Counsel.

FARM CREDIT AND OTHER ASSISTANCE

The most immediate need of farmers who have acquired a new tenure status either as a lessee or owner-cultivator is a source of subsistence and production credit which was formerly provided by landowners and usurers. The institution of the agricultural leasehold system which means the breaking of paternalistic bonds between the landlord and the tenant, places the entire burden of financing on the shoulders of the farmers. To firmly establish the tenure relation of the farmer to landowner, he must find a substitute source of credit. The problem is one of urgency; it will be necessary to use an existing agency which serves the credit needs of farmers without real estate collateral. The only institution which has this machinery is the Agricultural Credit and Cooperative Financing Administration. Its administrative machinery should therefore be reorganized and realigned to enable it to play its proper role in the whole scheme of land reform and rural development. Its financial structure and credit program should be placed on a sound basis and its administrative organization and management streamlined for maximum operational efficiency. Commensurate to its new task, the agency should be renamed the Agricultural Credit Administration.

An added feature of the new agency is the institution of supervised credit to provide for the effective use of credit by farmers and insure its collection. This program will be undertaken in cooperation with the Agricultural Productivity Commission.

The ACA shall still be responsible for financing all agricultural cooperatives but its function of promoting the organization of cooperatives shall be transferred to the Agricultural Productivity Commission.

The existing agricultural cooperatives, or Facomas, are even now being screened and evaluated and financial and management status is being audited and evaluated. The aim is to weed out those that have lost their usefulness or viability and select for fullest possible development and expansion those that are found clearly capable of revitalization. Organization of new cooperatives shall be undertaken with utmost care, particularly in the training of both members and management officials and in the setting up of their capital structure, to insure their success and healthy growth. The agricultural cooperatives—as fast as they can develop competent and dependable management—shall be the principal vehicle for coordinating and channelling material and technical assistance to the farmers.

ESTABLISHING A LAND AUTHORITY

The final stage of the Land Reform Program is the establishment of owner-operated family-size farms as the foundation of Philippine agriculture. Farmers who have proven their determination and capacity to advance should be provided with the opportunity for land ownership. Land must therefore be acquired for them. The Land Tenure Administration and the National Rehabilitation and Resettlement Administration should be merged into a single administrative machinery that will implement this phase of the program. This new body will be called the Land Authority.

Several essential elements required for the success of the Land Reform Program rest upon the Land Authority. The functions of the Land Authority are to:

1. Negotiate sale or initiate expropriation of private agricultural lands which are idle or abandoned, land owned by absentee landlords and operated by leaseholders, and land in excess of the statutory retention limits;
2. Subdivide acquired private lands into family-size farm units for resale to qualified farmers;
3. Assist owners of uneconomic-size units in obtaining family-size farms; and
4. Open alienable and disposable lands of the public domain for the resettlement of displaced tenants and other qualified farmers.

A systematic system of selection and redistribution of private agricultural land and resettlement of public lands will be instituted. Based on a land survey and classification system, which the Land Authority will undertake for its use and according to the needs of other agencies involved in land reform, the proper selection of areas to be acquired and the determination of the economic size of family farms will be made. Only areas which will be more productive when operated as family-size farms will be acquired. Landholding which are operated efficiently as large scale farms will not be expropriated, for this action will run against the objective of increasing national productivity.

Not only should good quality land be provided to new landowners but also land large enough to allow the efficient use of the labor and capital resources of the farm family and to produce an income sufficient to provide a modest level of living, payment of yearly installment on the land, and reasonable reserves to absorb yearly fluctuations in income.

The Land Authority will also be charged with the responsibility of undertaking measures which will insure the early issuance of titles to farmers. From the legal standpoint, a title would serve to eliminate those protracted suits that must often confront the smallholder, a person neither sufficiently educated nor financially capable of bearing the

cost of litigation. From the psychological standpoint, the assurance given by the title to the small landowner gives him the added incentive to improve his holding and production. From the social viewpoints, the curtailment of court suits and the assurance given the farmers would serve to dampen substantially the social unrest that would otherwise develop under a contrary setting.

The act of streamlining the land titling procedure and expanding the cadastral survey system actually poses no insurmountable technical problems. The Bureau of Lands has added considerably to its stock of improved land-survey equipment and techniques. The bureau could easily realign or supplement its present capabilities to meet the demand for a substantial addition in its expected output called for by the land reform program.

The Authority must not only apportion public lands into farm-size units but also assist the farmers settle in them and live productive lives. Thus, it must provide facilities such as roads and hospitals, transport settlers and their belongings to the areas reserved for them, grant them subsistence loans if necessary and assist them in securing equipment and supplies. In effect it must provide all the needed support in the farmers' search for higher income.

CREATION OF A LAND BANK

Indispensable to the success of the Land Reform Program is the role to be played by a new type of financial institution—the Land Bank of the Philippines. This institution will provide the instruments and the mechanism necessary for adequately financing the acquisition of land from the present landowners and their resale by the government to the tillers.

The Land Bank is proposed for two reasons. First, the landlord must have sufficient inducement to sell his land voluntarily. Expropriation, by itself, is neither an effective nor expeditious way of getting the landlord to give up his holdings. Second, an appropriate financial instrument must be created for financing the acquisition and redistribution of land. It is neither feasible, nor consistent with our country's monetary stability, to finance all these land transactions purely with cash.

In exchange for his holdings, therefore, the landowner will receive assets that are more attractive to hold than land. The Bank will be authorized to issue mortgage bonds against the landholdings which the government will acquire, and to issue its own shares of stock as an open-end corporation. To secure these two types of issues, the title to the land will be vested in the Bank until after the resale of the land to the tiller has been paid for in full. As added security to the Bank, the tiller-purchaser will amortize acquisition of his new farm at an interest rate of eight per centum per annum.

The government will subscribe to the Bank in the amount of P200 million. This subscription will be voting but non-earning. This in turn will be invested by the Bank in private corporate securities that have had a proven record of providing stable earnings as well as a reasonable amount of growth. On these investments, it will be possible for the Bank to get a return of about eight per cent as well as some growth. Since the subscription of the government is of the non-earning type, all the earnings from these investments will be channelled to the Land Bank shares which the former landowner will hold.

Of the total amount that the Bank will pay to the landowner for his land, 70 per cent will be in the form of land bonds and 30 per cent in the form of stocks to be issued by the Bank. This combination of mortgageable assets will give to the landholder the same security that he derives from his land but without the burdens of managing a cumbersome tenancy system and of paying taxes. It will also provide him with better returns than he has ever obtained from his land. Thus, for giving up his holdings, he will receive not only a just compensation but also a generous bonus. This type of financing makes our Land Reform Program both realistic and practicable—features which similar programs in the past did not provide.

This institution will also make it possible to finance the transfer of land to the tiller under terms which the tiller can meet. The new owner will amortize the cost of his family-size farm out of the productivity of the land. Since the Bank will hold on to the title until the land has been paid in full and, at the same time, collect interests at the rate of eight per cent, it will be able to maintain its own security and solvency for the benefit of all.

JUST COMPENSATION TO LANDOWNER

The manner of payment to landowner will provide for “just compensation” and at the same time facilitate the transfer of ownership of business enterprises to landowners divested of their landholdings. It will also allow investment by these landowners in new commercial and industrial enterprises.

Valuation of land estates will be based on its income producing capacity rather than the usual fraction of its present market value. The value of the land will be calculated on the basis of the estimated income accruing to ownership capitalized at 6 per cent per annum.

Payment to landowners will consist of 30 per cent stocks and 70 per cent bonds of the Land Bank. Acceptance of bonds with maturity periods of more than 10 years will qualify landowners for exemptions from the payment of capital gains tax. Landowners holding Land Bank shares will be guaranteed a reasonable rate of return by the government and by the Land Bank itself through its business operations. Eventually, landowners will own the shares of profitable corporations which the Land Banks have purchased.

The Land Bank bonds which will have a guaranteed return of 6 per cent will not be immediately redeemable but will be negotiable. Ownership of Land Bank bonds would accord the same privileges as ownership of land because these bonds can be mortgaged in the same manner as land titles. Investment on new enterprises would thereby be made possible.

LAND TAXATION

Land taxation is an integral part of the general design for the Land Reform Program because of its structural versatility, its indigency to agriculture, and, traditionally, its capacity to provide work and investment incentives, redistribute agricultural income, and raise revenue for use in the agricultural sector.

The land tax system, which will be instituted by the Land Tax Commission, will have a presumptive base in accordance with a scientific classification and evaluation of land. The classification would be based on the soil characteristics as well as external characteristics such as climate, topography and availability of water. The assessment will be based on the presumptive rental income capitalized at 6 per cent per annum.

The presumptive rental income basis, because of its rigidity, will have the following advantages: (a) it will consider the productive potential of uncultivated lands; (b) it will provide incentive to farmers: those deriving less than the full potential will be penalized by the tax, while those exceeding the rated potential will not be taxed on the excess; and (c) it will provide no opportunity for disincentives; the taxpayer-landowner cannot change the amount of the tax through a reduction of his actual production. Because of the fixity of the tax base the amount of revenue may easily be made to respond to the level of needs simply by adjusting the tax rates.

Another feature of the land tax is a progressive rate based on the total value of landholdings. This system will spare the small landowners from the heavy burden of tax payment.

MECHANICS OF IMPLEMENTATION

Because of the magnitude of the Land Reform Program and the numerous agencies that will participate in its implementation, cooperation and coordination of these agencies are required. A National Land Reform Committee will be created to develop a program of implementation and promulgate land reform policies, principles and procedures. The Committee will be composed of the Chairman of the Board of Trustees of the Land Bank and the Administrator of the Agricultural Credit Administration as members, and the Governor of the Land Authority as Chairman. This Committee will have the power to declare certain areas as Land Reform Districts where Land Reform Projects will be implemented. All Land Reform Projects will be submitted to this Committee for approval.

Regional Land Reform Councils will be formed. They will be composed of the regional heads of the Land Authority, Land Bank, Agricultural Credit Administration and the Agricultural Productivity Commission. This Council will be charged with the responsibility of approving and implementing Land Reform Projects which will be developed and proposed by a Land Reform Team. A Land Reform Team will be composed of one representative from each of the agencies of the Regional Land Reform Council.

CONCLUSION

This is the Land Reform Program, as we have envisioned it. I have stressed the need for change, and sketched the means by which we hope to effect this change. The program calls for an understanding and acceptance of the requirements of economic progress as well as a recognition of human needs and rights. It is a response to the need for justice. It is a source of strength for our democratic society. Most of all, it is a coming to terms with the demands of reality, a facing up to the fact that we cannot cling to past comforts and hope for future survival. The program suggests the machinery for land reform. All that is needed is the will to transform this machinery into reality—and set it in motion. The program has been geared to benefit owners and tenants alike, perhaps not immediately, but inevitably. It will provide a dynamic base for economic stability and growth that shall insure the well-being of all Filipinos.

The challenge before us demands unselfishness and devotion to the people we serve, demanding great courage and patriotism. Your decision in this Congress will be a matter of conscience and intelligence, individual and national. Let it not be said in the future that we defaulted at the moment of truth and greatness. Let it rather be said that we rose to the full height of our moral capabilities, that we gave our country new life and pushed it forward to a new day of hope and fulfillment.

Ladies and Gentlemen of Congress, the fate and future of the humble tillers of the soil, their redemption from social and economic serfdom, the key to wider opportunities and greater income for big landowners, our only hope for increasing the productivity of our farms are now in your hands.

Source: **Presidential Museum and Library**

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**NATIONAL GOVERNMENT PORTAL – EDITED AT THE OFFICE OF THE PRESIDENT OF THE
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Diosdado Macapagal, Second State of the Nation Address, January 28, 1963

**Message
of
His Excellency Diosdado Macapagal
President of the Philippines
To the Second Session of the Fifth Congress
On the State of the Nation**

[Delivered on January 28, 1963]

One year ago we stood on this same platform to announce before the Nation the tasks that we pledged ourselves to perform. We stand here again today to render an accounting to the Congress and to the people of what has been done to accomplish these tasks, where the country now stands and what next is to be done to build the economic and social progress that has become the urgent right of all our people.

The past year has been a crucial one. We began our labor for the people under extremely adverse conditions. The government was bankrupt; it was operating on a deficit of P250 million. The international reserves were *in extremis*, with the dollar reserves at \$103 million and the Central Bank obligated in the sum of \$341 million at preferred rates ranging from P2.00 to P3.20 per \$1.00. Graft and corruption had seeped into every nook and crevice of the government, both national and local. The people had assumed an attitude of cynicism, an attitude that made them shrug off corruption as inevitable. While population was increasing at the rate of 3.2 per cent annually, the rate of economic growth had decreased from 7.8 per cent in 1955 to an annual average of only 4.4 percent each year thereafter until and including 1961, and symptomatic of the economic deterioration, prices were steadily rising to exorbitant heights without hope of abatement.

It was in this depressing setting that we undertook the difficult task of straightening out the national shambles and building the structure of a better future for our people.

We committed ourselves to the solution of two major problems facing the country. One was the need for moral regeneration and the other, the need for a faster rate of economic growth. We shall in this report recount what has been done toward the accomplishment of these tasks.

Before doing so, however, we beg your indulgence to express with candor some thoughts on relevant matters that have aroused the public interest. Among these has been the concern expressed for the two-party system because of our alleged desire to control both Houses of Congress by accepting leaders and members of the Opposition into the Administration.

Congress-Executive Relations

We reject the imputation that we seek the control of Congress. Having been in Congress ourselves, we do not think any one can control Congress by making it do what it cannot be intelligently persuaded to do voluntarily. What we seek is the constitutional cooperation of Congress—that is to say, the cooperation that the Congress and the President owe to each other in the interest of the people in accordance with the party system of government which we have adopted in our Republic. That constitutional cooperation is best attained—and we submit that this was the intent of the Constitution—when Congress and the President pertain to the same political party. It is only this situation that makes possible party responsibility without which the two-party system is a farce. It was this situation under which all our predecessors had worked since the founding of the Republic. This would not mean placing Congress in the control of the Executive because, as it happened in 1951-53, the fact that the political party of the President had a

majority in both Houses of Congress did not necessarily mean that the President had the cooperation, much less the control, of Congress. We submit that given the pitfalls of rabid partisanship, it is desirable for our democracy that the Congress and the President should pertain to the same party. This situation whereby the Congress and the Executive pertain to the same party should in the normal course be brought about in an election. However, if through an imperfect operation of the democratic mechanism which we strive continually to improve, this desirable situation does not result from an election, it is neither against democracy nor against the national interest to endeavor to bring about the situation through the inherent freedom or some other legitimate measures allowed in a democracy.

It was against the background of this political philosophy that in the course of the past year, many leaders of the people who enjoy the faith, confidence and support of their constituents, some of them being members of this Congress, have placed the interest of the people above their partisan interest and have joined cause with the Administration in the herculean endeavor to promote a rapid rate of progress for our people. Their action is not to be gauged in terms of those drifting ways of the past but in the light of the urgency of courageous and decisive action called for by the national ambition for monumental progress in the inspired present. We know that these leaders have taken these steps primarily because of their conviction that the socio-economic blueprint that we are energetically carrying out in order to bring about rapidly the prosperity of our people is the right course for the Nation. We hereby make it of record, as the highest spokesman of our people and in their name, for the judgment of our posterity that in our view, these leaders who have joined us in our endeavor have performed less of an act of partisan infidelity and more of an act of patriotism which our people approve of and accept with appreciation and gratitude.

Civil Liberties

The other matter to which we beg leave to refer in candor has been the anxiety shown for the Constitution and civil liberties because of alleged dictatorial, impatient and vindictive tendencies on our part. This concern is without basis in fact.

Permit me to state that we are too much of a lawyer to disregard the Constitution and the law. Our seeming impatience is over unduly prolonged argumentation about the law because we believe that whenever there is legal controversy, which is unavoidable among lawyers, the best step in the public interest is to elevate the controversy to the Supreme Court, in the meantime go about our tasks, accept the decision of the Supreme Court when it is handed down, and then proceed in our ways of serving the people along the lines indicated by the Supreme Court decision. It has been our invariable attitude that irrespective of our personal views, we shall abide by and implement the decisions of the Supreme Court. As long as the President of the Republic abides by the decisions of the Supreme Court, there can be and there will be no dictatorship in this country. Like all Filipinos, we are lovers of freedom and we are against dictatorship in our country, and whether now or in the future, we are with those who will fight the establishment of a dictatorship in our land.

In truth, our seeming impatience over fruitless wrangling is but a reflection of the impatience of our people to be given the chance to enjoy the good life to which they are entitled. Legal issues must be debated. But while we debate, the people feel the pangs of hunger and demand that their problems be solved before it is too late.

Indeed, we confess to one impatience—to the impatience which we believe to be the impatience of our people that measures be taken immediately to enable our impoverished people quickly to have a better life. To us, this is more than impatience; it is a passion. We cannot help feeling and thinking otherwise because we have personally known the pain of hunger and poverty.

Because of our actions which are reflective of the impatience and hunger of our people for a better life, it is possible that we may have hurt and offended others. We ask their forbearance. It is not our wish to hurt or prejudice anyone if we could avoid it. We bear no resentment against anybody. If it were possible, we wish all to be our friends. To say that we are vindictive is to trample upon the truth. There is absolutely no touch of vindictiveness in our being. The truth is, we have a task to pave the way for the improvement of the livelihood of our people within the span of our mandate and we intend to do this task in the best and most effective manner within the sanction of the Constitution and the law. We are resolved not to fail in this undertaking of achieving economic progress during our

tenure. It is around this resolve that all our decisions and actions revolve. Accordingly, those who will help us we shall clasp as friends, irrespective of relations in the past; and similarly, those who will seek to frustrate us we shall be constrained to resist vigorously, likewise irrespective of events in the past. We deny the offense of vindictiveness, dictatorial tendency, disregard of law, and other imaginary offenses leveled against us. We confess only to one offense, if it be an offense, which is that we love our country and people dearly. Since we have only this opportunity of a lifetime to help our people attain a better life, we are grimly resolved to sacrifice friendships and everything and even our own self, our own comfort, security and happiness, for the dedicated pursuit of bringing about the prosperity and happiness of our people in the quickest possible time.

Partisan conflict is perhaps unavoidable in a democracy like ours which is operated on the party system. At the beginning of our labor, we had wanted to avoid participation in partisan strife. Without now dwelling on the responsibility for the change, we have been lately constrained to take part in partisan activity within proper bounds in the conviction that without an increased political preponderance in our favor, we face frustration in the task of bringing about a sufficient degree of economic and social progress for our people during the period of our trust. If partisan contention is inevitable in a representative government, we fervently hope that it can be minimized for the sake of the public welfare. We ardently wish that more and more of us who are representing and leading our people will more and more recognize the occasions and matters where partisan attitude must end because there the national interest which requires united action begins. It is our fervent longing that one such matter and occasion that should be regarded as meriting united national action is the successful implementation of our socio-economic development program because of our conviction that it is only through the resultant general prosperity that our masses can share the boon of a good life. It is our prayer that in things required for the success of the program, partisan strife can be avoided. Indeed, on our part, we have participated in partisan activity only as inevitably required by the need to insure the success of the Nation's socio-economic development program.

MORAL REGENERATION

Anti-Graft Policy

We shall now dwell on our twin tasks of moral regeneration and a faster rate of economic growth. In undertaking a moral regeneration drive, we adopted a constructive and forward-looking outlook and policy. We have resorted more to constructive, preventive and remedial measures for moral renaissance than to punitive actions.

In accordance with a constructive anti-graft policy, we undertook a series of measures to eliminate the sources of corruption in the Executive Branch of the government which is our prime field of responsibility. We abolished the system of foreign exchange controls, aware that this had become a festering source of venalities. We made appointments to important positions on the primordial basis of integrity and honesty. We conducted searching investigations of government irregularities. We dismissed public officials for dishonesty, dereliction of duty, official irresponsibility, and grave abuse of authority and other similar violations of the code of upright public service. We have not spared even the closest friends—people whom we have long known and who had done much for us—because we believe that our duty is not to serve friends but to serve the people. We issued an executive order prohibiting government officials from having official transactions with any of the President's immediate relatives. The members of our official family made public their assets and liabilities although this is not required by law.

We took positive steps to re-establish the moral identity of the Filipino. Our people are inherently a race of honest men and women. With a view to enhancing these qualities, we took official cognizance of acts of honesty, respect for the law, simple living, punctuality, courtesy, cleanliness, devotion to the people in public trust, frugality, discouragement of gifts, discontinuance of large official retinues, patronage of native materials, and the like. We honored humble citizens who performed deeds of honesty. We conferred a Presidential Citation upon officials and individuals who have demonstrated adherence to the creed of honesty and integrity. Realizing the tremendous persuasive powers of the Presidency, we and our family have striven to set personal examples in honesty, simplicity and dedication.

In view of the number of wrongs deliberately or carelessly committed in the past, for the full investigation and prosecution of which there would be no material time, we have limited punitive actions to a degree sufficient to

deter similar wrongs in the future. Mainly, these cases consisted of those concerning the top offenders in certain categories of venalities, committed by Filipinos and aliens, which should be discouraged and eradicated as roadblocks to the progress of the country. We hope that the constructive and remedial results from these exemplary cases would be sufficient and would not constrain us to expand action in our determination to effect moral reconstruction as a prerequisite to national progress.

The categories of venalities on which we took action against the top offenders were the following: (1) aliens who organized networks of corruption to advance their business interests; (2) former aliens who, although not weaving elaborate webs of corruption, were engaged in venalities to promote their a business interest; (3) aliens who engaged in profiteering activities; (4) aliens who evaded the payment of taxes; and (5) aliens who, contrary to law, participated actively in partisan politics.

Among the nationals, we took action on the following persons: (1) those who utilized organized political power to build business empires, and vice-versa; (2) those who misused public trust to amass wealth; (3) those who evaded the payment of taxes; (4) those who perpetrated smuggling; (5) those who committed copra overpricing; and (6) those unscrupulous labor leaders who have exploited their followers for selfish purposes.

In connection with the action taken against aliens who corrupted public officials, we have so far relieved fifteen high officials, accepted the resignation of one of our cabinet members and reassigned another cabinet member to another post. In acting on other irregularities, likewise relieved the president of the government commercial bank and the chairman of its board of directors who were our own appointees.

In this moral drive to which the Administration has dedicated itself, the innocent need not fear, for they will not be molested. The well-to-do need not feel apprehension, for the drive is aimed not at them but at the unscrupulous operators who, using unfair and illegal means, have amassed ill-gotten wealth to the detriment of the general welfare. In point of fact, our goal is to create conditions of fair and equal opportunity wherein the maximum number of our people may become prosperous and wealthy through honest toil. The businessmen need not have anxieties, for the drive is not against businessmen but against powerful politicians who have used their political office and influence to dominate vital business ventures and compete with bona fide businessmen. Even the guilty will be given every opportunity to present and defend their case.

To those who promote their interest through hard work and integrity, we shall give the protective shield of the Administration and provide them with all the opportunities to advance further. But the law can be justly merciless, too, in its retribution on those who believe that they are above the law. We will be fair even to those who will be unfair to us, but we will act resolutely against those who betray the trust of the people. We believe that it is in this way that true democracy, which is the system which our people have cherished, will flourish in our country.

The results of our moral drive have been gratifying. The “tong” system in which businessmen made regular payments to government officials has ended. The practices of paying commission, percentage, overprice or kick-back in consideration of contracts and public service has been curbed. The webs of corruption which unscrupulous individuals had woven in our society through many years of unrestrained activity have been destroyed. The commission of graft at the higher echelons has been virtually terminated; at the lowest levels of government, it has been substantially minimized. We will relentlessly go after venalities at all levels of the public service.

ECONOMIC GROWTH

We shall now dwell on the most vital endeavor of our generation—the propulsion and maintenance of a faster rate of economic growth that can provide the needs of our multiplying population. In facing our awesome responsibility when we took over the Administration, it was obvious to us that after eliminating the stench of moral decay in the Government and in our society, the main task was to rescue the economy from the suffocation that choked it to paralyzation, loosen and remove the manacles that impeded its movement, infuse it with vigor and guide it forward. All our multifarious problems spring from the lack of financial sustenance arising from an anemic and unproductive economy. While the Nation has been undergoing a population explosion, the food on the Nation’s table available for distribution for the people’s needs have been too scanty to provide adequately for all the sectors who are entitled to

the essential services of the State. The Government could not repeat the miracle of feeding five thousand with five loaves of bread and two fishes. The obvious and indispensable solution to our country's myriad problems was to develop as rapidly as possible our natural resources in order to increase the food on the Nation's table, thereby enabling more of our people to partake of the wealth that God has bestowed for the use not of a few but of all.

It was to meet frontally this grave problem that we instituted decontrol and launched the Nation's integrated five-year socio-economic development program in our first State-of-the-Nation Message to this Congress on January 22, 1962. It will be recalled that the House of Representatives adopted this Program. While the Senate, avowedly for lack of time, did not act on the program, the National Security Council, in which the Senate is represented, has officially adopted the same. The Five-Year Integrated Socio-Economic Development Program, therefore, has become the Nation's Program. It is your program, as much as it is our own. It is our People's program. We cited in that program, a three-fold objective, namely:

First, the immediate restoration of economic stability;

Second, the alleviation of the plight of the common man; and

Third, the establishment of a dynamic basis for future growth

Let me review with you what has been done in relation to these three major goals.

ECONOMIC STABILITY

Our first act upon assuming office was to dispel the atmosphere of uncertainty that pervaded the business community and discouraged the steady expansion of the country's productive ventures. On January 21, 1962, as a fundamental and necessary step for stabilizing business conditions and for setting a more rational basis for business plans, we lifted foreign exchange controls. These accomplished two desirable effects: it allowed the exchange rate to be determined by the forces of the free market; and it removed from public authorities the power of allocation and control over foreign exchange funds. The only exceptions were the required sale of twenty per cent of export proceeds to the Central Bank and the settlement of contractual obligations at rates previously agreed upon.

After an anxious supervision of the currency reform, we are now able to declare that the decontrol program has worked out extremely well, with a minimum of adverse repercussions. Fourteen weeks after decontrol was proclaimed, the exchange rate began to stabilize at levels reflective of the real external value of the peso. Since May, the selling rate of commercial banks has kept within the range of P3.87 to P3.92 per U.S. dollar. A new stabilizing factor has emerged with the substantial increases in forward exchange transactions during the last twelve months from \$0.26 million in February to \$50.41 million in November.

The favorable effects of decontrol have registered themselves conspicuously. Our export receipts increased by \$103 million over the previous year, while our import bill decreased by \$72 million. In contrast to a trade deficit of \$144 million in 1961, our external trade accounts showed a surplus of \$31 million last year. Our international reserves grew from a level of \$103 million at the beginning of the year to \$140 million at the end, in spite of the large amount of foreign repayments and of our long term and preferred foreign commitments from \$341 million to \$137 million. Operating receipts of the national government increased by P290 million over those of the past year. The total paid-up capital on new corporate investments rose from P100.6 million in 1961 to P110.3 million in 1962, reflecting an increase of 9.6 per cent. Agricultural production increased by 6.5 per cent in palay alone, and 7.1 per cent for all food crops. Industrial production for the first six months increased by 7.3 per cent.

The year also brought in external developments which will provide us with more resources for future development. The first was the passage by the United States Congress of the War Damage Act, providing for \$73 million, which would bolster our balance of payments position. The second was the decision of foreign aid agencies to integrate their aid programs with our own socio-economic program.

Prices

The effect of decontrol on prices was moderate and far less disturbing than what was originally anticipated. In this connection, may we be permitted to correct once and for all the misrepresentation that during the presidential campaign we pledged to lower prices. We did not make any such commitment. We could not have made such pledge considering our platform for decontrol. Anyone who persists in claiming that we made this pledge is deliberately, maliciously, and irresponsibly misleading the people.

Our pledge during the campaign was not to lower the prices but to stop rising prices, which are two different things. This is evidenced by our posters and radio jingles all over the country which cried; "Stop corruption! Stop rising prices!" There was only one commodity the price of which we pledged to lower—and that was rice, the staple food of our people. We have fulfilled this specific pledge and considering that rice is the prime food of our people, we will continue to do everything that is in our power to insure that rice is made available at lower prices at all times within the reach of the masses of our people.

Although it was not our pledge to lower the prices of commodities but to stop their inordinate rise, the objectives of our socio-economic development program once attained will in truth result in the equivalent of lower prices. As the real incomes of our people rise due to increasing production and greater employment, our people will be able to buy more goods because of larger incomes, even though prices may be somewhat higher in peso terms.

Pending the arrival of that stage in our socio-economic development program when income levels will be much higher—and purchasing power correspondingly greater—what is the present situation on prices? Although prices all over the world have been rising, the rise of prices in the Philippines has been so moderate that, according to a world survey made by the Associated Press in November, 1962, prices in the Philippines are second to the lowest in the world. According to this survey, the lowest prices are in the Netherlands, second in the Philippines and third in Egypt and the highest prices are in France, second in Italy and third in the United States. During the past year, the consumer price index increased by 6.7 per cent in Manila and by 4.3 per cent outside Manila. In comparison, after currency reforms in other countries similar to our decontrol, prices increased by 12 per cent in Mexico, 15 per cent in Thailand, 30 per cent in Indonesia, and 102 per cent in Argentina.

This is the important fact; that price levels have been stabilized and real incomes are rising through the increase in production and job opportunities brought about, by our socio-economic development program and the Emergency Employment Administration. Opposition leaders are authority for the thesis that it does not matter if prices in peso terms are rising, as long as the real incomes of the people are also rising. That is exactly what has been done and what will continue to be done: increase jobs and incomes. The incomes of the government personnel, including the armed forces, have been increased. The total increased wages in the public sector amounted to P93 million. Increase of wages in private enterprises has also been correspondingly taking place. The incomes of the producers, farmers and exporters have been increasing because of the higher peso value of their produce and exports as a result of decontrol. The income of coconut producers alone has increased by P145 million.

One difference between the recent past and the present may be stated to be that in the past, prices continued to rise exorbitantly without hope of relief for the people. At the present time, the people have been assured of rice and corn at lower prices; the prices of other prime commodities have been stabilized; and there is not only hope but legitimate expectation that with the passage of time the quantity of goods and services will so increase and incomes will so rise that prices will be well within the reach of our people.

The achievement of relative price stability was due in large measure to the increase in domestic production and to the operations of the Rice and Corn Administration and the NAMARCO. A major stabilizing factor was the observance of monetary and fiscal prudence on the part of the Administration as a precautionary measure incident to decontrol in order to forestall speculation, to keep the exchange rate in rein, and to cushion the excessive monetary expansion perpetrated in 1961.

Credit

As an initial step incident to decontrol, credit was tightened by the Central Bank, but credit restrictions were relaxed from the second quarter on. The liberalization of credit was made permissible by the stability of the exchange rate and the exercise of fiscal responsibility. If complaints of money tightness continued to be raised, the reason was largely statutory rather than regulatory for the lending capacity of several banks had hit the limit imposed by law on the ratio of their net worth to their risk assets. In order to expand credit in the scope that will be helpful and non-inflationary, legislation is necessary, as will hereafter be proposed.

Fiscal discipline was achieved by keeping government spending from unduly expanding and by increasing revenue collections. The broadening of the tax base as a consequence of the change of value of the peso and the intensification of customs and internal revenue collections improved the fiscal position of the Government. The result was the generation of a cash surplus of P159 million during the second half of FY 1962 to offset partially the cash deficit of P246 million incurred during the first half under the previous administration. Thus, the over-all cash deficit incurred in the first six months of the fiscal year was reduced by P87 million, after repaying the obligation incurred by the past administration to the Central Bank in the sum of P100 million. During the first calendar year of our Administration, we achieved a cash surplus of P16 million as compared to a deficit of P215 million in the corresponding period of 1961.

The use of monetary and fiscal instruments for the preservation of stability after decontrol was complemented by a set of specific commercial policies to protect and encourage local industries. As a result of investigations made by the Tariff Commission and the National Economic Council, we revised the tariff schedules in January and June last year and again in January, this year to accord more protection to domestic producers of essential commodities, particularly textiles. These modifications embraced over 200 domestic industries employing about 40,000 persons.

We also took positive measures through the Department of Finance to counteract the dumping of certain subsidized foreign products such as black iron, galvanized iron pipes, and truck tires and tubes. Had these not been imposed, some of the most essential industries operating in the Philippines would have been adversely affected.

The foregoing steps taken were, among the many efforts undertaken, in cognizance of the temporary disruptions which inevitably accompany a major shift in the fundamental pattern of our economy. The removal of artificial market structures, the elimination of windfall exchange profits, the placing of entrepreneurs on a free competitive basis—all these had to be achieved in the soonest possible time with the least possible dislocation.

Full Decontrol

It is desirable to effect full decontrol by providing a substitute for the 20 per cent retention of dollar export receipts by the Central Bank. Such step will pave the way of the early establishment of a fixed par value for the peso which will provide greater incentives to exports, facilitate long-range planning and greater inflow of foreign investment. A substitute measure would yield more revenues to the Government than the 20 per cent retention scheme the proceeds of which do not entirely accrue to the National Government but merely places the Central Bank in a position to support the Government expenditure program in an amount equivalent to the peso rights accruing to the Bank from the 20 per cent requirement.

The substitute source of revenue should not fall indiscriminately on all exports because this would go against one of the objectives of decontrol which is to stimulate the development of new and specially processed and manufactured export goods. The impost should bear mostly on exported raw materials and should exclude manufactured goods. An untaxed raw material export is a burden on domestic processors, who have to pay domestic sales taxes and a subsidy to foreign labor and capital, thus fomenting unfair competition against our processed exports.

WELFARE OF THE COMMON MAN

The Administration has unequivocally committed itself to the mission of alleviating the plight of the common man. It is explicitly one of the major goals of the Socio-Economic Program that the less fortunate masses are provided a larger and increasing portion of the Nation's economic and social benefits, and that the transition to a free market is done as helpfully as possible to the common people.

Toward this end, we have implemented various measures primarily designed to make available the basic economic necessities of food, shelter and clothing to the masses at prices they can afford.

Rice and Corn

One of the major problems which we have sought to eliminate has been the recurring shortages in our staple foods. Since the enactment of Republic Act No. 3452 creating the Rice and Corn Administration (RCA) last June, we are pleased to state that the rice crisis, which had been persistently plaguing our economy and which necessitated the importations of rice, particularly in 1961, is now an event of the past. To be more specific, in 1961 it cost our people P60 million in rice importation without solving the problem; in 1962, without importation, it cost the RCA only P1.5 million while paying P11.50 per cavan of 45 kilos of palay to the rice growers and distributing rice at P0.85 to P0.95 per ganta to the consumers.

As a result of its operations, the RCA has been able to accomplish, with exceptional success, the primary objective of not only stabilizing the price of rice and corn, but also providing the necessary incentives to our farmers to produce more of these staple foods by offering them a fair and just return for their produce. Since the last harvest, the RCA has embarked on massive palay procurement operations. It is now operating about 150 warehouses throughout the country with an aggregate capacity of six million cavans of palay. In addition, the RCA operates over one hundred mills capable of processing 10,000 cavans of rice daily.

The National Economic Council has estimated a surplus of over eight million sacks of palay by the end of the current crop year.

In conjunction with the operations of the RCA, the Rice and Corn Board has actively implemented the Rice and Corn Nationalization Law in accordance with the law's spirit and intention.

In the success achieved by the RCA in coping with the rice problem, acknowledgment is due not only the administration leaders in Congress but likewise the opposition leaders who cooperated fully with the rice and corn program of the Administration, particularly Senate President Eulogio Rodriguez and former Speaker Daniel Romualdez.

The spectacular success that has been attained in solving the rice problem and avoiding the recurrent rice crisis, which was achieved with the help of leaders of the Opposition, is an indication of what real cooperation between the Administration and the Opposition can accomplish to help our people in their difficulties. We keep on praying that in the midst of our partisan strife, the light of Divine inspiration will one day illumine our minds and hearts in order to persuade us on both sides to cast away our differences and in a magnificent moment of national solidarity act in unison to solve successfully together the problems that are working hardships on our people.

Fish

Having coped with the problem of providing rice to our people, we moved to develop the fish industry in order to complete the components of the food of our people—rice and fish. Toward this end, the Emergency Employment Administration (EEA) has worked out a P15 million fishery development project with the Bureau of Fisheries, which is expected to increase fish production within five years by about P45 million annually. This fishery project includes, among others, the establishment of twenty stationary fishing nets in coastal provinces and fishing grounds, and the construction of sixteen fishing ports as well as refrigeration stations in strategic coastal provinces.

Prime Commodities

To cushion the increased procurement costs of imported prime commodities in 1962, we created, with the cooperation of the leaders of the Opposition, a bipartisan Technical Committee on Prices last July for the purpose of studying and recommending measures which would best achieve the stabilization of the prices of prime commodities at reasonable levels.

In accordance with the Committee's recommendations, the NAMARCO has been importing, since July of last year, the net national requirements for milk, sardines and corned beef, and selling them through its outlets at landed costs. As a result of this intensive program of importation by the NAMARCO, the prices of imported prime commodities have been stabilized at prices within the reach of the masses.

On the basis of the findings and recommendations, of the Secretary of Health, the Administration imported over half-a-million pesos worth of life-saving drugs. The direct importation of life-saving drugs is a temporary measure during the period of transition which is intended mainly to provide relief to the masses who still cannot afford to pay for these prime drugs. We wish to commend our domestic drug manufacturers for maintaining pre-decontrol price levels.

The Administration realized that certain industries in the private sector could be affected by the NAMARCO's importation program. Consequently, steps were taken to limit the items imported by NAMARCO and slowly shift activities toward promoting the increasing acceptance by Filipino consumers of locally-made articles. The NAMARCO has started to embark on an extensive program of procuring, distributing and merchandising locally-produced goods.

Moreover, the Department of Commerce and Industry has taken steps to encourage local investors to establish whole milk factories, meat and fish canneries in order to lessen and eventually eliminate our dependence on imported prime commodities. The response of the private sector has been gratifying. By the first half of this year, we look forward to the operation of a whole milk factory, and in the near future, the establishment of fish and meat canneries which will eventually render the NAMARCO importations of prime commodities unnecessary.

Shelter

Next to food, steps have been taken to provide the people with adequate shelter. The administration is striving hard to rectify the deplorable housing conditions of the masses. Toward this goal, bids have recently been opened for the construction of a P3 million multi-storey tenement project in Tondo as the first phase in the Administration's massive housing program for the poor. Two other housing projects have been scheduled for construction in other Manila districts and one in Makati. The program calls for the construction of similar multi-storey tenements in urban sites in the provinces. We hope that through this program of making available decent dwellings at reasonable costs to the low-wage earners, the situation wherein the poorest of our people will be adequately housed and sheltered will become a reality in the immediate future.

Clothing

Having taken steps to provide our people with food and shelter, measures were likewise undertaken to provide them with clothing. In order to make adequate clothing available to the masses, we launched, with the cooperation of the Textile Mills Association, a program for the production and distribution of a low-cost, durable cotton material known as the "Pag-Asa" cloth which costs P0.95 a yard for men and P0.65 a yard for women, ex-factory. Through this program, we hope to fulfill the objective of the low-income people being adequately yet inexpensively clothed,

Income

The program to provide our people with their essential need in food, shelter and clothing would be futile unless we give them an opportunity to earn the income with which to quire these needs. Our first step in this direction was to increase the income of the wage-earners. Republic Act No. 3500 which was enacted last year created a Salary Adjustment Fund amounting to P16.2 million. From this fund, we effected, an increase of at least ten pesos a month in the salaries of approximately 91,000 government employees.

Employment

The next step was immediately to provide the people with employment while awaiting the creation of job opportunities private enterprises as envisioned in the five-year socio-economic development program. To achieve our goal of providing maximum employment opportunities in public economic development projects, the EEA embarked last November on a nation-wide program with the immediate aim of alleviating the deplorable state of unemployment and underemployment in the country.

The bulk of the projects undertaken by the EEA are in the nature of productive public works such as the construction, improvement, and repair of roads and highways, find irrigation projects throughout the rural areas.

Mention has already been made of the EEA large-scale fishery project. In the field of handicraft industries, the EEA has recruited and trained the necessary labor for the National Cottage Industries Administration (NACIDA) according to the latter's standards and specifications.

The EEA is also actively supplementing the program of the Bureau of Agricultural Extension through the tapping of fresh agriculture graduates and their assignment to various municipalities and barrios lacking extension workers. One of the requirements for agricultural extension workers, which is an improvement of the past practice, is for them to reside in the barrios.

In coordination with the National Resettlement and Rehabilitation Administration (NARRA), the EEA has embarked on twelve projects for the clearing of land and the construction of feeder roads encompassing a total area of 20,000 hectares. Furthermore, it has undertaken intensive work in forest conservation and reforestation together with the Bureau of Forestry.

University for Workers

In our mission to build a better future for the common man, we did not confine ourselves to helping him acquire the food, shelter and clothing that he needs, and the income with which to obtain such needs. We proceeded to open an additional and special opportunity for his children to attain a higher success than was possible for their elders. It is in this spirit that the Administration launched the establishment of a Labor University in Makati, Rizal, which will provide the common man with the opportunity to aspire for greater achievements through the acquisition and development of the necessary skills required by our expanding economy.

Workers as Proprietors

In addition to opportunities to have food, shelter, clothing, income and higher education, we likewise opened the opportunity to the common man to become a proprietor and to become acclimated to the responsibilities of such station. It was for this purpose that the Administration sold the National Development Company textile mills in Manila to the labor unions. This bold experiment, which is an unprecedented case in Philippine labor history, is a manifestation of our profound desire to improve the lot of the common people. Should the workers succeed in this epochal grant of opportunity to them to become proprietors, the gates of similar opportunity will be opened wider in other disposable government enterprises.

Abolition of Tenancy

Having passed successfully through the crucial period of transition from a controlled economy to free enterprise, it is time that decisive action be taken to effect the now long-delayed land reform. Land being our most valuable resources, salutary changes is imperative in the land system. Our agricultural productivity has tended to be static; farm incomes have remained below subsistence level.

The most basic cause of this failure is the land tenure system. About one-half of our farmers remain share-croppers, perpetually in debt to landowners who not infrequently are non-resident landowners. So long as this condition persists, agricultural development will be sluggish. The structure of agriculture needs to be recast before any appreciable growth in productivity and incomes can be possible.

The Land Reform Act of 1955 has failed to bring about significant changes. Still intact is the tenancy system which tends to perpetuate traditional farm methods as it provides no incentive for greater production. Under this system, increases in yield through scientific farming accrue mostly to the landowners. On the other hand, for his extra effort and investment a tenant receives less than one-fourth of the net proceeds from improved farm practices. The inevitable result is apathy among tenants towards more productive farm techniques.

We must now confront the land problem with the realism, courage and boldness that the situation demands. We must no longer stall or equivocate. The time has come to abolish tenancy in our farms.

We should replace tenancy with owner-cultivator ship with due regard to the just rights of the former landlord. As a people who take pride in freedom as a way of life, we must now do away with tenancy which has become the centuries-old tattoo of economic slavery and social degradation for the man who tills the farm. We must establish a new and economically-sound set-up in which the former tenant will become a dignified participant in bringing forth the productivity of the good earth. We must give the tenants liberty from economic peonage, in which they have long languished, so that they will become free men who will share with dignity in the task of building the Nation.

In doing this and in setting up the tenant farmers as independent landowners, we shall release tremendous productive energies that will boost economic and social development. We shall release large capital resources tied up in absentee landlordism to business and industry. We shall set our tenants free from poverty and debt.

An over-all program to abolish tenancy, as well as to assist farm laborers and wage earners, the free settlers of public land and farmers owning private land of less than family size, will bring about an overdue readjustment of our social structure; it will correct the present imbalance in our society, where there are enormous concentrations of land, wealth and political power in the hands of a few. It will set loose the energies of millions, put new life in the rural areas, and raise productivity, mass income and purchasing power. Not least, the land reform program will make democracy truly meaningful to our people.

Labor

In addition to the specific measures we have implemented to cushion the lot of the common man during the transition to a decontrolled economy, it would be well to mention the services of those government agencies primarily concerned with our people's welfare.

As industrial peace is essential to the nation's economic growth, the Administration's policy is to promote labor-management cooperation concomitant with the growth of free and responsible trade unions. The Department of Labor has been increasingly active in the role of arbitrator and conciliator for both Labor and Management. With the Department's active assistance, around four hundred collective bargaining agreements were signed and close to three hundred other agreements adjusting grievances were reached.

We have commenced action against unscrupulous labor leaders in order to protect labor from exploitation from their own ranks. It is hoped that the limited action we have taken in this regard will sufficiently promote responsible labor leadership for the well-being of the workers and that, toward this end; it shall not become necessary to expand deterrent measures.

At the same time, the Administration successfully extended the protection of the law to farm workers, particularly in the sugar industry.

Labor-management frictions are bound to arise especially in a growing economy, as evidenced by the occurrence of labor strikes which spurred undue excitement last year. It may be pertinent to note, however, that while over 32 per cent of the strike notices filed with the Labor Department in 1961 matured into strikes, the comparative figure for 1962 was only 17 per cent, a figure almost twice less than that for 1961.

Education

Basic to the efforts toward economic expansion and the growth of social benefits to the common man is the proper education of the citizenry. It was toward this objective that the Department of Education formulated policies and implemented measures to improve the quality of instruction and to strengthen the curricula in all levels of instruction. Thus, during the past year, 13,000 new classes were opened by the Department of Education on the elementary level as compared to 10,300 new classes opened during 1961.

Health

Through the Department of Health, the Administration directed intensive efforts toward the prevention, if not the total elimination, of the diseases and epidemics which threaten the health of our people.

When we assumed the burden of handling the people's affairs the most pressing problem of health which confronted us was the raging El Tor epidemic. Through the aggressive implementation of health control measures, the authorities were able, within a short period of time, to contain the epidemic.

In the same manner, we have acted vigorously to meet a possible smallpox threat from abroad by ensuring an adequate supply of vaccine through importation.

The Health Department has expanded its rural health units with the establishment of 33 additional ones, while expansion of hospital services was achieved through the completion of 31 hospitals with a total capacity of 1,050 beds.

Social Welfare

The Social Welfare Administration, for its part, has undertaken the construction of a Regional Vocational Rehabilitation Training Center for the blind and other physically handicapped. Moreover, it has implemented creditably Republic Act No. 3467 which created a Calamity Fund of P14 million for the rehabilitation of some 45,000 families who suffered in the floods and typhoons that ravaged the country early last year. Material aid valued at P250,000 was extended to some 64,000 destitute families. The political factor in the distribution of relief by the SWA has been virtually eliminated.

A regular committee on relief has been created headed by the Executive Secretary and the Social Welfare Administrator. This has made possible the instantaneous ministrations of relief in the event of calamities.

BASIS FOR GROWTH

Aside from attending to the pressing problems of restoring stability to the economy and providing for the immediate needs of the people, we addressed our efforts to the third goal of the nation's socio-economic program of providing a dynamic basis for the future growth of our economy.

Upon adoption of the Integrated Five-Year Socio-Economic Program, which aims at increasing our gross domestic product over the five-year period at a compound rate of 6%, we established the technical staff for translating this basic program into action. We started the operation of this machinery for the implementation of the Program without delay.

Implementation

The machinery that we set up for implementing the Program was in consonance with a basic philosophy that should bear on all government decision-making: that all the public resources at the disposal of the Government shall be programmed and allocated carefully and efficiently and concentrated on projects that contribute most substantially to the country's productivity. Our procedure departs radically from the past methods of wastefully allocating the government's capital funds in a haphazard, uncoordinated and dissipated and often political fashion, resulting in the

forfeiture of the large benefits the country could have obtained had they been programmed more rationally and imaginatively.

In addition to creating new bodies, we have revitalized existing agencies and rapidly transformed them into effective executive arms for implementing our economic program.

Thus, the integrated Five-Year Socio-Economic Development Program is now underway. The Government is now financing a set of capital and development projects under a special three-month master budget which we have drawn up within existing authorizations for the purpose of continuing or completing those existing projects that have immediate priority in terms of the requirements of the over-all Program. These projects are now being undertaken by the Department of Public Works and Communications, National Power Corporation, NAWASA and other appropriate government agencies.

The implementation of the Program will require the continuous construction of fixed and lasting facilities, on the part of the private and the public sector, for the production of necessary goods and services. In the private sector, these facilities include new farms and farm improvements, new factories, and more mining facilities. In the public sector, they include those basic overhead facilities such as roads and bridges without which the private sector can not advance.

The Public Sector

In the public sector, the Government has the responsibility of using its resources wisely and imaginatively to build, as permanent structures, the social capital necessary for the country's growth. We accept this in order to stress the long-term nature of our undertaking, to underscore the need for legislative cooperation, and to emphasize the need of concentrating the government efforts and finances on integrated and long-term projects, rather than spreading them thinly on activities that may give the impression of immediate accomplishment but contribute little to lasting social productivity.

The Private Sector

In the private sector, the Government's efforts in implementing the over-all economic program will be to facilitate the growth of private enterprise. The specific projects that we have scheduled during these five years in the field of transport, communications, and allied public services are aimed at providing the private sector with the facilities which it needs in order to establish and expand its productive ventures. It is the responsibility of the Government to formulate and execute policies that would establish the proper climate, as well as to provide a framework of legal and administrative precepts that would attract the private sector into channeling its resources into those enterprises that are most desirable from the national viewpoint.

The promotion of high-priority private industries under a system of free enterprise is the most challenging task that faces the Government. It is a task that demands imagination, sensitivity to the businessman's problems and goals, and dedication. Indicative of the prospect of successfully meeting this responsibility, we are happy to report to Congress that no less than P1,060,000,000 in new ventures have been formalized in 1962 and that work on these enterprises has begun.

One of the basic reasons for dismantling exchange controls was to provide a more stable, rational and realistic basis for the formulation of business plans, in place of the artificial attractions created by the controlled rates in favor of industries that were highly dependent on imported materials. Accordingly, we have established the proper climate for encouraging more ventures into the following basic fields: steel; the fabrication of metal products, including machinery and appliances; basic chemical and fertilizer; glass and cement; veneer and plywood; pulp-making; food processing and packing; and allied industries.

With the end in view of laying a basis for the future growth of domestic industries in wholesome directions, the Government has spent the past year in preparing and establishing the machinery for assisting these industries along two principal lines: first, in the area of project development; and second, in the area of financing.

In the area of project development, we have taken measures to help industrialists in the difficult process of preparing and planning for ventures in which the country has had little experience. Among others, we have concluded arrangements with the Agency for International Development (AID) to cooperate with the Philippine government in establishing in this country on a long-term basis, an office of technical men from abroad with extensive experience in the engineering, financial, economic and market planning of projects. Their main function will be to assure the soundness of projects that local businessmen are planning to undertake, and make them acceptable for financing by foreign institutions were necessary. We have also charged the Department of Commerce and Industry with the task of serving as the clearing house of business problems and of minimizing, if not eliminating, the thousand and one bottlenecks in obsolete government procedures and requirements which have been left over from a decade of controls.

We have also readied ourselves to take positive steps to encourage and provide the proper climate for savings and investment among the small people, so that the opportunities and rewards offered by industrialization and economic growth will be extended to them not only as workers but as owners as well.

Private Industrial Development Bank

In the area of financing, in fulfillment of a plan announced in our message last year, the Government has pushed through the establishment of the Private Development Corporation of the Philippines, which will mobilize and provide the long-term capital which industries of the future will need. The Corporation will start operations within the first quarter of this year with total investible funds of P112.5 million including \$15 million which will be contributed by the World Bank, P7.5 million from fifteen foreign banks, and P27.5 million by the Department of National Defense in collaboration with the AID. It is hoped that the AID will make up to our military organization this appreciation for the priority of our economic progress by using its good offices to augment future military assistance to our military forces.

We have reoriented the lending policies of the government financial institutions such as the DBP, the GSIS and the SSS in order to give priority to the intermediate and basic industries which we seek to establish in the near future.

Foreign Investments

We are gratified that in the past year, keen interest has been shown by businessmen in America, Europe and other parts of the world for the investment opportunities in the country which were opened by the Administration's policy of private enterprise. We must continue in an even more vigorous manner to welcome foreign capital and investments in our country. Domestic capital is inadequate to sustain economic enterprises to the extent and magnitude required for the needs of our fast-growing population. Foreign capital, preferably in joint ventures with Filipinos, is needed and will be welcome in our country within the foreseeable future. As our Administration protects Filipino investors, it guarantees to foreign capital and investors fair treatment, and warrants against confiscation and expropriation. We also allow full repatriation of profits as well as capital.

With the foregoing integrated and coordinated measures, we feel confident that we shall have laid the groundwork for a balanced developing economy.

FOREIGN AFFAIRS

Notwithstanding the preferential attention that we have given to moral regeneration and economic growth, we have accorded due attention to all other public services. We pause now to present what the Administration has undertaken in vital fields of government although attending to all responsibilities to the people.

With the avowed aim of raising the level of our international prestige, reforms have been carried out in the Department of Foreign Affairs in order to safeguard and enhance the career service. The political prostitution of the Foreign Service has been firmly resisted.

Philippine-American Relations

With respect to our vital relations with the United States, we are happy to state that we are forging closer ties with the former mother country within the framework of political and economic developments. The approval by the U.S. Congress of the \$73 million war damage claim has done much toward closer understanding of the mutual problems confronting both countries, and has reaffirmed our faith and confidence in the sense of fairness of the American people. We are elated that the United States has increased the Philippine sugar quota, thus ensuring higher export earnings for the sugar industry and additions to our international reserves.

Philippine-American relations are closest since the founding of the Republic. No major problems exist between the two countries. We are gratified at the convincing readiness of the American Government to assist our country in every practicable way in meeting our problems. On our part, as shown by our position in the Cuban crisis, we stand ready to stand by the United States as the leader of the free world in any crisis involving our common security and the defense of mutual ideals and interests.

Other Countries

Closer dealings have been promoted with Asian countries to a point where our neighbors have been keener than in the past to have collaborative efforts with the Philippines for common benefit and in the interest of the region. Moreover, closer relations have developed with other countries, particularly with Spain. Steps have been taken to establish on a clear and stable basis the broad relations between the Philippines and Japan and the adjustment of long-pending problems between the Republic of China and this country.

Communism

In the context of the cold war, the Philippines had firmly aligned itself against Communism. There have been some questions raised about our uncompromising stand on the matter, but we cannot afford to succumb to the ever-present temptation to relax on our stand. Although we strive so earnestly for economic progress such ideal will be futile if our free and democratic way of life is subverted and lost through lack of vigilance.

The Administration has accordingly maintained relentless vigilance in combating the infiltration of communism in vital sectors of the Government and our society. Through our succeeding program of economic and social progress under the aegis of democracy, the communist enemy is being pushed into retreat and defeat.

The vigorous peace and order campaign launched by the Philippine Constabulary last year, which laid emphasis on intelligence operations in coordination with other intelligence and police agencies, resulted in the capture of three top communist leaders in Quezon City last July, and in the surrender of Benjamin Cunanan alias Commander Hizon in Arayat, Pampanga.

The Intelligence Service of the Armed Forces was responsible for the arrest last May of twelve staff members of the Chinese Commercial News which is suspected of being the propaganda organ of the Chinese Communist Party. Intense and thorough intelligence operations also brought about the discovery of Political Transmission No. 17, a subversive document of the Chinese Communist Party.

North Borneo Claim

The most important action taken in the field of foreign relations in the past year was the official filing on June 22, 1962 with the United Kingdom of the Philippine claim of sovereignty, jurisdiction and proprietary ownership over North Borneo as successor-in-interest of the Sultan of Sulu. We are gratified at the good will shown by the United Kingdom in holding the talks in London in pursuance of our note on June 22, 1962, in which talk an opportunity has been opened for a friendly scrutiny of the Philippine claim, taken with the security problems of Southeast Asia.

Contrary to allegations in some political quarters, this was not a precipitate action. We have personally studied this claim over a period of years. While serving in the Department of Foreign Affairs in 1946, upon a study of this claim in connection with our successful negotiation for the reacquisition of the Turtle Islands, we advocated the filing of this claim.

In 1948, while serving in the Philippine Embassy in Washington, DC, we went over the claim with an American expert in Anglo-Saxon law in George Washington University who sustained the view that this is a valid claim. When we served in the Congress of the Philippines, we successfully authored and sponsored in 1950, a resolution for the filing of this claim. Upon becoming President of the Philippines, acting on the conviction that this was not only a valid claim but that its presentation was demanded by the national interest, it became our inescapable duty to act on the bipartisan resolution of the House of Representatives on April 24, 1962, that the claim be filed now or never.

The situation is that the Philippines not only have a valid and historic claim to North Borneo. In addition, the pursuit of the claim is itself vital to our national security. We could not merely view the placing of North Borneo under Malaya, without presentation and consideration of our legitimate claim to North Borneo. Our claim to North Borneo cannot be less than the claim of Malaya to the territory not only on the basis of superior juridical and historic rights but in the vital interest of our national security.

Malaya has no valid claim or right to take over North Borneo. Furthermore, if through arbitrary arrangement, the Borneo territory is placed under Malaya, the latter cannot likely insure for long the security of North Borneo for the free world. A profound and farsighted contemplation of the present and potential security posture in the whole region will conclusively support the judgment that the restoration of North Borneo as part of the territory of the Philippines would be the durable measure that could best insure against territorial disequilibrium and restlessness in the area and could constitute the firm and stabilizing factor to maintain and safeguard the security of the region.

The project to place North Borneo, together with Brunei and Sarawak, under Malaya has already provoked a revolt in Brunei. It can be expected that Indonesia will not settle down accepting the authority of Malaya over Sarawak, Brunei and North Borneo. Moreover, the proposed Federation of Malaysia is not in accordance with the principle of self-determination, which is the accepted way out of colonialism, but appears to be a continuation of colonialism based only on an expedient of false security.

It was imperative that the Philippine claim be, as it was, made because if North Borneo was not to be by itself independent but was to be placed under another state there is no valid reason why, with the legal and historic bases of the Philippine claim, and considering that North Borneo is contiguous to Philippine territory and vital to our security, the new State to be given jurisdiction over North Borneo should not be the Philippines.

It is vital to the security of the Philippines that North Borneo be not placed under the sovereignty and jurisdiction of another state, particularly a state on the Asian mainland like Malaya. In the event, God forbid, that Malaya succumbs to the potent communist threat on the Asian mainland, with North Borneo under Malaya, there would be created a situation in which a communist territory would be immediately at the southern frontier of the Philippines, which would pose a grave and intolerable threat to our country. Against such a threat, we know that our people will fight to the death, for they will rather die fighting for freedom than live in slavery.

Principle of Self-Determination

In laying claim to North Borneo in pursuance of the legal and historic rights and the security interests of the Philippines, we recognize the cardinal principle of self-determination of which the Philippines has been a steadfast adherent. In the prosecution, of our valid claim, it is agreeable to us that at an appropriate time, the people of North Borneo should be given an opportunity to determine whether they would wish to be independent or whether they would wish to be a part of the Philippines or be placed under another state. Such referendum, however, should be authentic and bona fide by holding it under conditions, preferably supervised by the United Nations that would insure effective freedom to the people of North Borneo to express their true and enlightened will.

ADMINISTRATION OF JUSTICE

Aside from providing the striking force in the Administration's relentless campaign against graft and corruption, the Department of Justice implemented measures to insure the independence of the judiciary and to attain a speedy and impartial administration of justice.

In order to ease the congestion in the dockets of our courts, the Justice Department brought about the filling of the sixty-two existing vacancies in the courts of first instance with men of proven ability and integrity. A closer degree of supervision was exercised over the courts. In order to enable them to discharge their duties promptly and correctly, the Department has taken measures to ensure that the courts are furnished with sufficient personnel, supplies and copies of requisite judicial materials.

The Department is readying reform proposals to strengthen the independence of the judiciary and promote speedy and less expensive litigations for the consideration of a Constitutional Convention to amend the fundamental law, if and when the same is convened.

Constitutional Amendments

Multiple and meritorious proposals for amending the constitution have been made over a period of years. Moreover, there is need for improving the administrative machinery in order to make the Government more efficient and effective in discharging its functions for the welfare of the people. Similarly, the courts, below the Supreme Court require improvement to bolster judicial independence, to make litigations less tedious and expensive and to generally improve the administration of justice, particularly as it affects the common people who cannot afford long and expensive litigations. Likewise, there is need of decentralizing our government and increasing the authority and responsibility of the provincial, municipal and barrio governments.

These imperative judicial and administrative reforms cannot, however, be attained in a manner as to be effective, just and permanently conducive to public welfare unless they are based on constitutional foundations which will provide for a synchronized and well-balanced, as contrasted with a lopsided and harmful allocation of governmental powers. They should be undertaken only on the basis of constitutional changes which will make possible a synchronized allocation of legislative, executive and judicial powers for the attainment of the best interest of the people.

It is, therefore, imperative that a constitutional convention be called to consider multifarious proposals for the amendment of the Constitution. Moreover, inasmuch as the present fundamental law partakes of the nature of a colonial constitution in the sense that it was adopted during the time of the Commonwealth and that it could not take effect without the approval of the President of another country, it is desirable to update it in consonance with the fresh spirit of constructive nationalism that invigorates our Nation and which prefers that our fundamental law be not one for an un-independent commonwealth but a Constitution for our free Republic as the expression and embodiment of the true and exclusive will of our sovereign people.

There is an unassailable principle, in connection with amending the Constitution, that the farther the constitutional convention is convoked from the next presidential election, the greater the objectivity that will be attained in the consideration and approval of a constitutional change. Unless, therefore, Congress convokes a constitutional convention in this session, the constitutional, judicial and administrative reforms so patently demanded by the national well-being may be well deferred indefinitely.

Electoral Reform

To strengthen our democracy and bolster the effective exercise of the political rights of the people, we must decisively undertake electoral reforms in this session of Congress which could be applied in this year's local elections. Action on this matter has long been overdue. These electoral measures should effectively reduce and eliminate election frauds and irregularities which tend to defeat the popular will and reduce campaign expenses to the minimum in order to expand the chances of meritorious but unmoneyed citizens to be elevated to elective public

office and leadership. The reduction of election expenses to the minimum necessary to conduct a reasonable campaign will also serve to curb corruption because it would do away with the need for candidates to receive contributions from parties who seek government favors.

NATIONAL SECURITY

In the field of national defense, a drastic modification in the plans of the Armed Forces of the Philippines was effected in order to make its activities more responsive to actual conditions such as the modernization of equipment and weapons, and in conformity with the Government's financial ability to meet the requirements of internal security and the commitments for mutual assistance with other countries.

Among the measures taken along the lines of internal security were the following:

- (a) The modernization of the Philippine Air Force through the acquisition of jet aircraft and helicopters.
- (b) The vigorous work culminating in the capture of top-echelon dissidents and bandits and the surrender of loose fire-arms.
- (c) The creation of task forces to carry out peace and order and wage campaigns against blast fishing, kaingin, cattle rustling and smuggling.

We have taken measures to restore and bolster the morale of our armed forces. Among the steps taken were to enforce the retirement and other laws without favoritism and discriminations; the application of the criteria of merit, seniority and justice in appointments, promotions and assignments of army officers; increase of pay for both enlisted men and officers; and a housing program for enlisted men.

We must continue the effort to maintain and bolster the morale of our military organization and to place its various services in tip-top shape in view of their valuable service in our domestic problems of security and socio-economic effort, as well as the growing responsibilities of the Republic on the international scene. Measures should be sought in order to enable the armed forces to maintain itself efficiently and to be provided with its essential needs.

Peace and Order

Attention was given in the past year to the maintenance of peace and order by the police authorities and the Armed Forces.

The Department of National Defense has vigorously waged campaigns against smuggling, illegal fishing, prostitution, narcotics, gambling, illegal logging and carnapping, resulting in the prosecution of over 2,700 cases and the apprehension of over 24,000 persons.

“Not What is Popular, But What is Good for the People”

We must emphasize that in 1963, the improvement of the rate of economic growth shall be the main objective of our vigorous and sustained efforts. In the final analysis, it will be the resulting and solid economic foundation that will bring about the lasting benefits to our people.

This is a time of supreme challenge for all of us. To push through to advantage the gains made in the Nation's economic effort, we are called upon to adopt implementary measures that are unprecedented in magnitude. Half-measures will not now suffice. Half-measures will only endanger the success of the critical endeavor to attain an adequate degree of economic and social progress which our people urgently need and which, if we act courageously and patriotically, is now within their reach.

It is a supreme challenge to our courage and patriotism because some of these measures may not be momentarily palatable to the very people whom we seek to serve. The remedies are of the nature of medicine which is not instantly agreeable to the patient but which he must take for his good. They are measures which, heretofore, being politically disadvantageous, we should not even consider. So this is a time of test which will show who among us are sheer politicians and who are sincere public servants and statesmen. The test will be whether one will refrain or will courageously support those measures needed for the success of our economic program and for the good of the economy and the country but which may not be instantly popular with segments of the people. For those who are faithful to the country and those who are sterling leaders of the people and statesmen, there can be no choice except to support what is needed for the attainment of our goal of rapid economic growth and social progress despite momentary disapproval from the public. To the true public servant and the statesman, there is only one duty—to do with courage not what is popular, but what is good for the people.

RECOMMENDATIONS

In the light of the foregoing, we respectfully recommend to Congress the following:

First, that the economic measures submitted in last year's session and which were not passed be now enacted, namely:

(1) Further amendment of R. A. No. 85, providing for the charter of the Development Bank of the Philippines, in order to increase the DBP's authorized capitalization to P2 billion.

(2) Amendment of R. A. No. 3127, known as the Basic Industries Act, in order to limit the application of tax benefits to industries which can properly be denominated as basic and which require some form of incentives in order to attract investors.

(3) The formal adoption by the Senate of the Integrated Five-Year Socio-Economic Development Program.

(4) A full decontrol measure as a substitute for the 20 per cent retention of dollar export receipts being made by the Central Bank.

(5) An investment incentives law for the encouragement of foreign capital, as well as domestic investments,

Second, that the resolution which we submitted in the previous session for the calling of a constitutional convention be now approved.

Third, that the bill submitted in the last session for the creation of a Moral Commission be enacted into law.

Fourth, that a bill be enacted to effect land reform, including the abolition of tenancy and assistance to farm laborers or wage-earners, the free settlers of public land and farmers owning private land of less than family size.

Fifth, that legislation is enacted to bring about electoral reforms that would reduce campaign expenses to the minimum and curb election frauds.

Sixth, that legislation is enacted to revise the tax structure and amend the Revised Internal Revenue Code in order to provide for a more equitable assessment of taxes based on ability to pay and to raise revenues to support the vital phases of the Nation's socio-economic development program.

Seventh, that other economic measures be adopted which are essential to the proper implementation of the Nation's socio-economic development program, namely:

(6) Amendment of R.A. No. 337, known as the General Banking Act, in order to expand credit facilities by granting greater flexibility to the operations of commercial banks and enable them more effectively to support their functions of extending short-term loans.

(7) Amendment of R.A. No. 1937, the Tariff and Customs Code, providing for authority of the President to modify tariff duties in order to extend and expand the authority in duration and scope granted to the President under Section 402 of the Tariff and Customs Code.

(8) Amendment of R.A. 1000, entitled "An Act Authorizing the President of the Philippines to Issue Bonds to Finance Public Works and Projects for Economic Development, Authorized by Law, and for other purposes" in order to expand the Government's borrowing authority to enable it to support more fully the Government's investment program.

(9) Amendment of R.A. No. 16 entitled "An Act authorizing the President of the Philippines to obtain such Loans or incur such Indebtedness with the Government of the United States, etc." in order to expand the Government's authority to procure funds for economic development.

(10) Amendment of R.A. No. 529, entitled "An Act to Assure Uniform Value of Philippine Coin and Currency" in order to allow maximum incentives for the entry of foreign funds.

(11) A law creating a Fisheries Commission which shall foster the development, improvement, management and conservation of fishery resources.

(12) A law that would empower the President to reorganize the Bureau of Customs and the Bureau of Internal Revenue in order to effectively rid those offices of venalities and increase their efficiency in their vital function of collecting taxes and revenues due the Government.

(13) A law creating an Export Authority which will be charged with development of export products and the expansion of foreign trade.

(14) A law creating a Food and Drug Administration which shall guarantee the quality, purity, identity, safety and potency of foods and drugs to be provided to the people.

(15) A law creating a Philippine Maritime Commission which shall provide the organizational structure for the orderly operation and growth of Philippine shipping.

Eighth, that other economic legislation than the above-mentioned which will assure the success of the Nation's economic program be enacted as will in due course be submitted in an integrated form in a special legislative message to Congress.

The legislative message aforesaid will embody drafts of measures enumerated in the above recommendations but the same will be merely suggestive, leaving it to the Congress and the Members thereof to formulate the bills to be acted upon along the general tenor of the proposals embodied in the Presidential message on legislation.

CONCLUSION

We conclude in the conviction that during the past year, the base has been established for a big push forward in the Nation's battle against the poverty of our people. The execution of this leap forward in the magnitude needed for success as gleaned from our recommendations is an imperative national necessity. Not to undertake this push or to attempt it halfheartedly and without the mighty exertion required would be a crime to the Nation which future generations will surely condemn. The mighty effort expected entails unprecedented sacrifice on the part of the people and on all of us. Nothing worthwhile can be achieved without tremendous effort and sacrifice. To break the manacles that hold our people chained to misery in order that they may, at last, enjoy a prosperous life cannot be

done without supreme energy and self-denial. This is the opportunity in generations for our people to reach and to enjoy the fruits of a better life, or in the alternative, tragically to make it recede again away from their reach. We are so convinced in the very depths of our soul about this that we venture the appraisal that if we fail our people in this opportunity, it would have been preferable that we had not gone into their service at all.

On our part, we ask for the continued faith and confidence of the people in our labors and assure them that all that we do is for their sake and for their well-being. It is not easy to lift our masses out of poverty but we will do what can humanly be done within the period of our mandate to succeed. Having attained the highest honor that a Filipino can dream of, especially for one of our very humble origin, we have no more interest in the discharge of our office except the interest of our country and the prosperity of all our countrymen. As a warranty of our complete devotion to our duty, my wife, children and myself have together vowed to God, to ourselves and to our people that while I shall strive to spread prosperity to our countrymen, on our part, during my incumbency, we shall not enrich ourselves even by one centavo beyond my statutory compensation.

With faith in God Almighty Who watches over mankind, we shall go on, with the collaboration of all well-intentioned countrymen, to pursue and seek, undaunted and unrelenting, that state of nationhood when the Filipino race shall enjoy as a normal state of affairs a blissful and dignified life of plenty for all.

Special Message of President Macapagal to the Congress on Important Economic Measures

Special Message of His Excellency Diosdado Macapagal President of the Philippines To the Congress on Important Economic Measures

[Released on February 18, 1963]

THREE WEEKS ago I spoke before you on the problems that confront this nation and the solutions that these problems demanded. Today I come before you to seek the legislative mandate that alone can make these solutions possible.

Stated in essence, the objectives that we seek as a nation are simple. We seek, within the years given us, to banish the spectre of eroding hunger and poverty in this land, to lay the economic foundations for a continuing prosperity, to root out corruption in the government, and to raise our people's vision to a plane that can give a rebirth to this Nation's tradition of morality and self-respect.

Examined in their fullest implications, the labors and the sacrifices that will be demanded of us in our struggle to achieve these objectives are staggering. In a country already straining under the burden of sustaining twenty-nine million people, we are called upon every year to feed, clothe, and house nearly a million more. In a nation where a million and a half workingmen are unemployed, we must create job opportunities for the three hundred sixty thousand who each year join the ranks of our country's workers. Into an economy that has been distorted by years of erratic, and often despotic decisions, we are asked to infuse sane, coherent, and daring changes that must offend the powerful few who desire at all costs—even at the cost of this country's future—to retain the unholy privileges they enjoyed under former economic regimes.

These tasks by themselves are enormous and will demand from this Nation's leadership in the three branches the utmost in sagacity, will-power, and determination. Yet these tasks are not all that is demanded of us by our people. Beyond this we are asked to do much more.

Our population is implacably rising. We must increase at a more decisive pace our production of rice, corn, and other food products. Disease and ignorance are still the unwelcome legacies of many of our countrymen. We must expand the scope and intensify the tempo of our health and educational services.

Our reform of an erstwhile defective monetary system through decontrol has resulted in substantial gains. Our peso has never been stronger; our reserves continue to grow. We must maintain and consolidate those gains.

Our country is faced with the problem of dire capital shortage. In the face of that shortage, we have to remake an industrial network that had been artificially nurtured on a diet of dollar, credit, and other subsidies, and expand the economy's preoccupation from exports and agriculture alone to include manufacturing.

The people call on us to open up the vast mineral wealth that lies hidden under layers of rock and human apathy; to encourage the growth of basic enterprises such as steel, chemicals and fertilizers, whose products form the lifeblood of other industries. They call on us to build more roads, more bridges, more irrigation systems, and more schools.

The world is fast forming itself into economic regional groupings. We are called upon—in the face of this development to rework our export patterns that we may not only hold but also expand our markets.

Ours is a land still ridden with rank inequalities in wealth and social opportunities, inequalities upon which totalitarian creeds like communism premise their bid for a change in the social order. We must ease those inequities and grant the greater mass of our countrymen a greater stake in the preservation of our way of life.

Aside from these economic tasks, we are further asked to discover, to contain, and—where possible under process of law—to eliminate from the government service the insidious minority who have become inured to corruption as a way of life. Their callous disregard of the public good demoralizes the Nation and is a continuing betrayal of the many honest and dedicated public workers that serve our Government.

Still beyond this, we must work a revolution in the country's moral climate. We must reinsert in our people, both by word and deed, a love for the ways of honesty, simplicity and honor that was so much a part of our forefathers' lives. We must inspire in them a capacity for self-discipline and sacrifice—an attachment to all those simple human virtues upon which all free societies ultimately derive their strength and ability to endure.

And, lastly, we are called upon to introduce changes in the governmental regulatory and administrative machinery that will enable it to act as a more potent instrument of progress. The dynamism of the times, the urgency of our problems, and the country's need for firm leadership must be reflected in a government structured to assist, rather than hamper, the execution of our plans for social and economic growth.

These are our ends. The litany of our tasks are long and hard and justly may we quail at the immensity of the demands that they will make on the energies of both government and people. But these tasks though hard we must have to bear. They cannot be sidestepped, they cannot be avoided, for they stand squarely as inevitable challenges in the long, difficult road to the things we seek.

In the discharge of these tasks, your Executive Department prayerfully accepts the burden of the hard and necessary decisions and labors that fall to it under our scheme of government. Humbly, we reiterate our acceptance of the responsibility for leadership in our sphere that has been willed to us by our people.

But many of the objectives that have been marked out for this Nation are far from being within the reach of the presidency alone no matter how high its aspirations or intense its resolve. Under our scheme of government, and rightly so, many areas crucial to our development program must be solely within the prerogative of Congress. Your Executive Department may labor at this Nation's plans for growth, and may stand ready to execute those plans to the fullest measure, but in the end it is upon Congress that a major responsibility rests for calling these plans into being.

Considering the urgency of our problems and the pace at which we desire to go forward, the 1963 legislative year is the year of decision for Congress and the country. Time works its implacable hand to change many things and measures that have been sufficient in the past are now poor, sorry instruments, inadequate for the difficult goals that we seek. The economy has been transformed, our people and their needs have grown, and problems once unknown now confront us. Yet the legislative framework within which we are expected to act is essentially the same, its limited boundaries pressing on us inflexibly and ruling out many chances of swift and adequate action.

We must loose the legislative strictures that prevent us from meeting our problems squarely and decisively. And wherever necessary, we must provide the Government with the new mandates, the new instruments that it needs to realize its plans to grant this country, our people, the gift of abundant life.

Many legislative decisions that have to be made at this year's session are hard and painful and may perhaps be misunderstood even by the people in whose cause they have been conceived. But they have to be made, for the alternative could be economic stagnation, or the collapse of the gains that have been achieved so far at so much cost, or the abdication by this Nation of its resolve to attain prosperity. In its ultimate sense, the choice is between decision and indecision, boldness and timidity, progress and retrogression.

I. OUTLINE OF LEGISLATIVE PROGRAM

In this thought, and in the full realization of the fact that, while the presidency may propose, it is Congress alone that has the power and the responsibility to enact the laws upon which any scheme for national progress must depend, we bring for the consideration of this honored body an economic legislative program covering the following major subjects:

First, a proposal for the formal adoption by the Senate of the Five-Year Integrated Socio-Economic Program;

Second, economic measures to support an expanded investment program, attract foreign capital, grant tax incentives to investment, effect institutional reforms in our financial system, promote trade, and remove bottlenecks to the channeling of funds to productive ventures;

Third, measures to improve the effectiveness of the government's administrative and regulatory machinery; and

Fourth, proposals to effect adjustments in certain economic inequalities that have worked to prejudice the whole economy for the benefit of a few.

II. FORMAL ADOPTION OF THE PROGRAM BY THE SENATE

In our State of the Nation address, we observed that our Five-Year Integrated Socio-Economic Program, adopted by the House of Representatives and approved by the National Security Council in which the Senate is represented, is now the nation's formal scheme for economic progress. It is only fitting, however, as we rally the forces of both government and people behind the labors and projects outlined by that program, that the members of the upper body of Congress formally attest their adherence to it to confirm that they share in the aspirations by which that program has been conceived, and that they will do their share in realizing those aspirations. We, therefore, call upon the Senate to join the Executive Department and the House of Representatives in publicly and formally signifying its endorsement of this nation's formal statement of economic objectives.

III. ECONOMIC MEASURES

A. MEASURES TO SUPPORT AN EXPANDED INVESTMENT PROGRAM:

The Five-Year Program expects to increase our annual rate of economic growth in terms of Gross National Product from 5.5% in 1963 to 7% in 1967. Among others, this increase is expected to be reflected in the expansion of employment at the rate of some 330,000 to 336,000 jobs annually, an increase in the per capita income of the Filipino, allowing for population growth, from P430 to P517 at the end of the Five-Year Program. In industry, this growth is intended to be shown in an expanded production of import substitutes in the form of finished intermediate and capital goods and the increased production of manufactured goods for export. All these expectations, however, will eventually hinge on the effectiveness with which we can mobilize domestic and foreign resources into capital and productive investments, in both the public and private sectors.

Amendments of Republic Act No. 1000

During the five-year period from 1963 to 1967, the government is expected to make a gross public investment of P2.8 billion. The bulk of this amount will be spent for roads, highways, water supply, power development, extension of railroad lines, and expansion of telecommunication facilities.

In the main, the investment program is expected to be financed by current savings and depreciation, and improvement in the administration of taxation. There is, however, a certain portion that must be financed through domestic bond issues under Republic Act No. 1000.

Despite the public antipathy to the issuance of bonds, this method of financing, if wisely utilized, is actually an acceptable method for financing long-term public investment. The flotation of bonds is not by itself an undesirable process. Whether or not the issuance of bonds is good would depend on the uses to which they are put, the manner of their programming, and the collateral policies that are to govern their absorption by the economy.

The dire effects of the bond issuance activities of the previous administration were caused not by the fact that bonds had been issued but that bonds had been utilized in a manner that could not but cause a dislocation in the financial system. Instead of channeling the bulk of bond proceeds into investments, they were used on the contrary for current

operations. Untoward effects were likewise caused by the fact that bonds were issued in amounts that could not be absorbed by the economy.

It may also be considered that in assessing the wisdom of issuing bonds, the measure is not the absolute amounts of such bond issues but the relation in which such bonds bear to the country's aggregate capacity to borrow on its future earnings. Measured as a percentage of the 1962 Gross National Product, the present limit of P1 billion constitutes less than one-twelfth of such figure and could be substantially increased without creating any disturbance in the economy.

Today, bond issues under Republic Act 1000 have reached an aggregate of P750 million, leaving only P250 million available for additional flotation. The amount, when measured against the public investments that are intended to be made during the coming years, is hopelessly inadequate. Unless this particular source of investment financing is expanded, vital projects will be prejudiced.

Along this line, we recommend to Congress the increase of the ceiling set by the Act from P1 billion to P2 billion outstanding at any one time. The dislocations that occurred during the past administrations as a result of the misuse of bond financing will definitely not be repeated by this Administration. The funds to be raised through those bonds will go into capital investment projects which will eventually enable the economy to generate the funds that will be used in repaying such bonds at the same time that they act to further increase our gross national product.

Investment Incentives Act

In our drive to expand investments in production enterprises there is a need for the creation and expansion of certain industries which may be termed basic in the sense that their products generate in turn the creation of secondary enterprises. The establishment of these industries invariably requires massive injections of capital. At the same time, they necessitate a long gestation period before returns on investments are realized. In the absence of incentives, these fields of industry go begging for investment capital. Yet their creation is basic to any realistic plans for industrialization for without them the economy continues to remain dependent on foreign sources for primary and intermediate raw materials.

In the realization of this country's need for basic industries we now reiterate our proposal for the passage of an Investment Incentives Act covering specifically the following industries:

1. Basic iron, steel, nickel, and aluminum.
2. Copper smelting and refining, including the manufacture of copper into basic forms.
3. Development of mineral deposits, such as copper, manganese, chromite, oil, nickel, coal and iron ore.
4. The manufacture from its rawest form of basic chemicals such as synthetic resins and dyes, and chemicals for the manufacture of medicinal drugs.
5. Heavy electrical manufacturing industries.
6. The manufacture of tools, dies, and industrial and power machinery.
7. The manufacture of pulp.
8. The manufacture of synthetic fibers.
9. Shipbuilding and dry docking.

10. The manufacture of fertilizer.

11. Such other areas of economic endeavor as may be certified by the President as vital to the economic development of the country, upon recommendation of the proper authority.

To encourage investments in these enterprises, our proposal will seek to grant the benefits of accelerated depreciation of capital equipment and machinery, temporary tax concession extending over a seven-year period, and special provisions for loss carry-over.

Amendment of Republic Act No. 85

Still in support of an expanded investment program, the Development Bank of the Philippines, which is charged under its Charter with the function of extending medium-and long-term loans to productive enterprises, must be immediately strengthened. During the last few years, the operation of the DBP have been greatly curtailed by its comparatively low capitalization of P500 million and the restrictions placed on its ability to borrow funds in support of its lending operations.

To remedy this, we now reiterate our proposal for amendatory legislation designed to increase DBP's authorized capitalization from P500 million to P2 billion and to increase its allowable borrowings in relation to capital, and its debt-equity ratio from 1:1 to the more adequate figure of 3:1. The DBP's proposed capitalization of P2 billion is actually a modest amount when measured against the demands that will be made on its resources by the country's burgeoning industries. The proposed increase in its debt-equity ratio is actually a mere correction of the unduly restrictive limits on its borrowing powers contained in the existing Act. The usual figure among similar institutions in other countries is three times the capital of such institutions.

B. MEASURES TO ENCOURAGE AND FACILITATE THE ENTRY OF FOREIGN CAPITAL:

As embodied in our Five-Year Program, of the P12.7 billion in investments that will be made over fiscal years 1963-67, fully one-tenth of the amount is intended to be drawn from external sources. The amount of foreign capital that we need forms a relatively minor portion of our projected total investments. But though small, the amount is a crucial part of our plans, and our Government should be provided with the instruments to bring in foreign capital through adequate legislation.

To this end, we include in our recommendation to Congress for the passage of the previously mentioned Investment Incentives Act provisions that will spell out in clear and definite terms the policy framework under which foreign funds will enter the country. Such a framework under our proposal, will include the guaranty of fair treatment, for it is only just that the capital we invite to our shores in assistance of our development plans should be insured against discriminatory and prejudicial acts. Our proposal will also contain a warranty against confiscation and expropriation. And, cognizant of the fact that foreign capital can only come in if there are assurances to foreign investors that they will have adequate opportunity to enjoy their business returns and to reclaim their capital should they desire to do so, our proposed legislation will likewise seek a guaranty for the repatriation not only of profits but also of the foreign capital invested in this country.

The above guarantees, we may stress, will be made in favor of foreign investors in addition to the incentives in the form of tax concessions, accelerated depreciation, and extended loss carry-over that are granted to all investors falling within the purview of the Investment Incentives Act.

However, we realize that certain fields of investment are so strategic, so controlling is the role that they could play in the economy, that they are better left in the hands of Philippine nationals. Our proposal, therefore, will duly specify that certain areas of enterprise will be left solely for the exploitation of Filipinos. The areas of investment that will be confined to nationals cover the following:

1. Nuclear energy utilization.

2. Power utilities.

3. Armaments and war materials production.

Amendment of Republic Act No. 16

Our plans for bringing in foreign capital cover not only the attraction of foreign investments but also the stepping up of foreign loans, public and private.

Our country's capacity to secure loans from abroad is presently being hampered by the extremely restrictive provisions of R. A. No. 16, the law granting the President of the Philippines authority to incur indebtedness from external sources. In order that it may operate as an instrument rather than as a deterrent for the inflow of foreign capital the law—originally drafted to allow the adequate entry of foreign funds for rehabilitation and industrial development—should now be amended to remove or amend the provisions that deter the expeditious entry of foreign capital into the Philippines. This general objective we will seek to achieve by legislation:

(a) Authorizing the President to borrow not only from the United States but from other foreign governments as well. Since the passage of the law, the economies of countries like Germany, Italy, France, and Japan have grown in a manner which now enables them to extend loan assistance to developing economies. The President should be empowered to tap these additional sources of development funds.

(b) Clarifying that the President's power to borrow from abroad includes the authority to float bonds in international markets. The issuance of bonds is only a variation in the power to borrow. Quite often, the desired capital, especially those intended to support long-term projects, can be obtained only through the issuance of bonds.

(c) Raising the unduly restrictive foreign debt ceiling of \$200 million to \$500 million. Since 1946, the growth in the Philippine economy has considerably raised the country's potential borrowing capacity for long-term foreign loans. In the light of this growth in the country's long-term borrowing capacity and its dire need for economic development funds, it would be unwise to deliberately curtail the power of government to borrow from abroad by setting a grossly inadequate foreign debt ceiling.

(d) Providing the qualifying phrases in the law to make specific reference to:

1. The relending by the President of funds secured from abroad to government offices, agencies and instrumentalities, as well as government-owned or controlled corporations; and

2. The relending of the proceeds of foreign loans by government financial institutions.

If the power to borrow is to be utilized to the optimum, the authority should be structured in a manner flexible enough to meet the many variations in the techniques of securing loan assistance from abroad and of making them available to desired ventures.

Amendment of Republic Act No. 529

We propose also to ease the deterring effect to the entry of foreign funds of R. A. No. 529, otherwise known as "An Act to Assure the Uniform Value of Philippine Coin and Currency." As the title suggests, the legislation is an extremely valuable one. It seeks to protect the integrity of the peso by outlawing contractual provisions forcing the obligor to assume all the risks of exchange fluctuations by requiring him to pay back the obligee in gold, or foreign currency, or in Philippine pesos measured in gold or foreign currency. Despite the law's unquestioned merits, however, we must recognize that it has to some degree worked to prevent the entry of some types of foreign loans into the country. Considering the country's need for foreign loan capital, we must strike that happy balance that will allow the law to continue performing its original mission of ensuring the stability of our currency while allowing the Philippines to receive the many benefits of an increase in the mobility of international funds.

One aspect of the law that we would propose to improve is to allow mere intermediaries in the entry of foreign loans, such as banks and financial companies, to shift the exchange risk to the end-user of the borrowed funds. Unless the law is amended, we will continue to have that inequitable situation where the intermediary bank or financial firm must bear the full exchange risk while the end-user, the entity that will in the last analysis derive the greatest benefit from the capital entry, is completely absolved from such a burden. The result is that banks are forced to desist from acting as intermediaries and foreign loans that otherwise could have been made to local industrialists are prevented from being realized.

On this consideration, R. A. 529 is proposed to be amended to loose this deterrent to the entry of foreign funds by eliminating from the operation of the law's general prohibition domestic transactions where the funds involved are the proceeds of loans or investments made directly or indirectly through bona fide intermediaries by foreign governments and financial institutions, so long as the funds are identifiable as having emanated from such sources.

Corollary to this, we will propose amendment that will categorically exempt transactions that were never intended to be covered by this Act, such as forward exchange and import-export transactions, in order to forestall any doubts that may possibly arise regarding the application of the law to these contracts.

C. TAX INCENTIVES FOR INVESTMENT:

Without doubt, one of the most effective tools for precipitating investment in designated areas is the instrument of taxation. In the past great reliance had been placed on this medium. But tax incentives, unless wisely planned and programmed, can be self-defeating, for they could result either in massive losses in revenues needed to provide the basis for further economic growth, or distortions in the desired investment patterns. A tax incentive is always a double-edged sword that must be applied with extreme care by the government.

There may be, however, specific tax incentive measures that would meet the stringent test of economic and social desirability when measured against the scale of investments they would generate and the minimal loss that would be suffered by government coffers.

On this consideration, we recommend to Congress a revision in the taxation of capital gains which will:

- (a) Effectively reduce the tax by setting a maximum ceiling of 25 per cent on the rate to be paid by individuals on capital gains instead of the 60 per cent maximum that is presently in our statute books;
- (b) Extend the present benefits of capital gains taxation to corporations;
- (c) Extend the net capital loss carry-over period from one year to five years and bestow it equally on corporations; and
- (d) Clarify the capital gains treatment of corporate redemptions and distributions.

We have after exhaustive deliberation refrained from recommending a total abolition of the tax on capital gains. Such a step would open up an indefensibly massive tax loophole, for it is a relatively easy matter to convert ordinary income into capital gain through various tax devices. Abolition of the tax would, at the same time, unduly encourage the mere speculator and punish the income earners and producers of goods and services. Indeed, a substantial reduction of the tax would probably produce the same undesirable results; however, since tax avoidance and speculation occur mostly in corporate stocks and securities, a limitation of such reduction to capital assets other than stocks and securities would greatly minimize the danger without unnecessarily constructing the economic benefits of the revision.

D. INSTITUTIONAL REFORMS IN THE FINANCIAL SYSTEM.

To finance the investments contemplated, the Program envisions the mobilization of domestic and international financial resources and facilities for channeling into projects of high priority. The mobilization of these resources and facilities will entail nothing less than far-reaching institutional reforms in the country's financial system.

As part of such a reform, we recommend to Congress the following revisions in the General Banking Act:

(a) An amendment of Sections 22 and 30 of such law to lower the ratio that the banks' capital must bear to their risk assets. The recommendation would make the capital-asset ratio variable from 10 to 15 per cent at the discretion of the Monetary Board, instead of the present fixed rate of 15 per cent. Such a step would expand the banking system's capacity for generating the short-term credit needed to finance industrial operations and inventories. The 15 per cent ratio was set at a time when Philippine banking experience was minimal to deter unwise or highly speculative banking decisions. Since the passage of the law, our bankers' competence in this field of finance has been indubitably demonstrated. We can conceive of no greater proof of our belief in the maturity and ability of our domestic bankers than to ease the severe restrictions placed by the law on their decisions in the form of an unduly high capital-asset requirement.

(b) Legislation to place the branches of four foreign banks that have been allowed to receive deposits in the Philippines on substantially the same operational framework as domestic banking institutions. This we propose to do by requiring the head offices to assign a specific amount of capital to their branches sufficient to enable them to maintain the capital-asset ratio required of domestic banks.

(c) Legislation to empower banks to guarantee foreign loans extended to domestic end-users for capital investment purposes up to 50 per cent of their capital. The strict prohibitions against guarantees in our banking laws have operated to prevent in many cases the entry of foreign loans to finance highly desirable projects. This added authority is intended to correct this inadequacy in the Philippine banking framework.

Mindful of the need to raise public confidence in bank deposits and to protect depositors from the inequitable effects of bank failures, we propose the creation of a Philippine Deposit Insurance Corporation that will, through the payment of comparatively small premiums, insure the repayment of bank deposits. Deposit insurance is a respected and integral part of the banking structure in advanced economies. Its adoption in this country will without doubt strengthen the institutional framework of our banking system.

To protect the public and promote individual savings, we likewise wish to propose the passage of legislation covering the activities of savings and loan associations. During the past few years, we have seen too many fly-by-night, unscrupulous individuals, working behind the facade of these entities, swindle the public of hard-earned savings. We cannot allow this blatant exploitation of the public and the misuse of a very valuable financial instrument for public savings to continue further.

Both to protect the public and to inject some balance into the activities of financing companies, we recommend the enactment of a comprehensive law regulating the operation of entities engaged in lending operating funds to industrial companies through the discounting of receivables, the assumption of mortgage purchases and analogous financing arrangements.

E. TRADE PROMOTION.

The commercial and industrial policy delineated by the Five-Year Program will seek to achieve, among others, the promotion of Philippine exports at the best terms available in world markets while providing inducements and protection to domestic industry and commerce.

In the attainment of these objectives, two of the most effective instruments available to the government are tariffs and the power to negotiate trade agreements. Both instruments are highly complex affairs the management of which requires constant and searching attention. Maximum benefits may be derived from their use only if they are flexible enough to meet the constant shifts in the focus and directions of international trade. Recognizing this, it has become traditional for Congress, which has the ultimate power to set tariffs and approve trade agreements, to delegate these

powers to the Presidency within a set of limitations, as Congress has so delegated such powers in R.A. 1937, otherwise known as the Tariff and Custom Code.

The tariff powers granted the executive department at the enactment of R.A. 1937 in 1957 were sufficiently ample for the economic situation then obtaining. But the change both in our economy and world market as well as the emergence of regional economic groupings, have made the perimeters within which the Presidency must operate insufficient to enable us to attain our industrial and commercial objectives in the most effective manner. And, with respect to the President's power to negotiate trade agreements, such an authority expired on December 31, 1962.

To correct this, we now recommend for your consideration the enactment of legislation for:

(a) A relaxation in the structures set on the President's authority to reduce and increase tariffs. The new limitations recommended will enable him to reduce tariffs by 75 per cent or to 5 per cent ad valorem, whichever is lower, and to increase tariffs by seven times or to 50 per cent ad valorem, whichever is higher.

(b) The grant of authority to the President to subject duty-free goods to tariffs upon a strong showing that the same is necessary to protect vital areas of the economy.

(c) An extension of the President's authority to negotiate trade agreements for a period up to December 31, 1970; and

(d) The grant of authority, to the President to enter into investment agreements with foreign governments, including for such purpose, the power to make arrangements on double taxation and the power to extend the incentives provided by Philippine laws for priority investments to nationals of the country with which an investment agreement has been entered into.

To complement these expanded trade-promotion powers, we likewise propose for your consideration the creation of a National Export Authority that shall be charged with the function of promoting Philippine exports, standardizing export products, coordinating the functions of government agencies concerned with export activities and providing assistance to the export trade. It is our belief that any effort to increase our exports must fail if we do not undertake any steps to maintain the quality and volume of our offerings in international markets and to approach the objectives of expanding our export trade on the basis of unified concepts supported by an integrated administrative framework.

F. REMOVAL OF DETERRENTS TO INVESTMENTS IN THE LAW.

We recognize that the most wisely conceived policies to encourage investment have to be backed up by complementary measures to remove defects in existing laws that operate to deter the flow of investment capital into designated areas. The set of legislation proposals we are presenting includes proposals for the elimination of restrictions which serve directly to block investments and the clarification of uncertainties that act indirectly to drive away investments from certain areas.

To this end, we propose for the consideration of Congress the amendment of our Corporation Law in order to eliminate the anachronisms and inadequacies which now restrict corporate power and growth.

As a first amendment to our Corporation Law, we recommend a revision of the provision limiting corporate existence to fifty years to empower corporations to extend their life by merely amending their articles of incorporation. The previous law would seem to imply that corporations, no matter how vigorous or socially beneficial their operations, must liquidate the moment their term expires. In a setting that sees a lot of government efforts directed towards the generation of investments, this requirement is incongruous and economically indefensible.

We likewise recommend a relaxation in the provisions of Section 13, paragraph 5, which categorically prohibits corporations engaged in mining from investing in another mining firm and non-mining corporations of whatever

nature from owning more than 15 per cent of any mining corporation. This particular provision has worked over the year to directly block the development of our natural resources. As the provision stands, it is an incongruity in the face of our driving need for foreign exchange, jobs and investment capital. We, therefore, propose legislation that would allow companies engaged in mining to hold an interest in another mining company provided such interest does not exceed 40 per cent of the capital of each or not more than three mining firms and not more than fifteen per cent of every additional mining company beyond that number. For non-mining companies, we likewise propose to allow them maximum holdings of forty per cent in each of four mining firms and fifteen per cent in every mining corporation in excess thereof.

To further fill out the gaps in the Corporation Law, we propose the passage of provisions governing corporate mergers and consolidations, donations to public, charitable and educational purposes, and employee stock purchase plans with waiver of preemptive rights. The last is in line with our conviction that we must encourage a wider distribution of wealth ownership as a means of engendering socio-economic stability.

A second set of amendments to the law on corporations consists of proposals for the protection of stockholders. Among these, the most important would grant the Securities and Exchange Commission power to promulgate rules and regulations to prevent corrupt practices and insure the fidelity of corporate officers to their fiduciary obligations.

Still for the purpose of removing bottlenecks in investments, we are recommending the passage of legislation for:

(a) The amendment of the Retail Trade Nationalization Law to make more specific what constitutes “engaging in the retail trade.”

(b) The amendment of the Rice and Corn Nationalization Law to clarify the meaning of the term “engaged in the rice and corn industry.”

(c) The amendment of the Anti-Dummy Law to allow aliens, to the extent of their interest therein, the right to participate in the management of corporations in which they have been allowed to invest. The proposal merely attempts to infuse some logic into our laws. If we ask, and actually encourage, foreign capital to come into the country, the least we can do is to grant it the minimum rights that would stem from the fact of ownership.

(d) The amendments of RA 1828, as amended, which provides the framework for the exploitation of the Surigao ferro-nickel resources, to align its provisions with changes in the monetary systems caused by decontrol; exempt the operator or contractor of the Surigao sources from the restrictions in the Corporation Law covering investments by mining companies in similar entities; and set a more realistic figure on the amount of returns that the Government shall receive from the exploitation of the Surigao ferro-nickel deposits; and

(e) The amendment of Commonwealth Act No. 137, as amended, otherwise known as the Mining Act, to revise obsolete, unrealistic, or unnecessary restrictive provisions that deter the expeditious and efficient conduct of mining operations. The provisions covered refer among others, to discovery and location of mining deposits, claim jumping, claims speculation, mining leases, and the grant of temporary mine permits.

G. FULL DECONTROL MEASURE.

Last year, we took note of the emergency nature of the Central Bank policy retaining 20 per cent of dollar export proceeds at the 2:1 rate. This retention policy had been imposed as a safeguard during the critical period of decontrol, and we recommended then that it be replaced with full decontrol legislation which would no longer be related to the outmoded and unrealistic exchange rate of P2.00 to the dollar.

Thus, one of the complementary measures to decontrol that we are again presenting for congressional consideration is the passage of an impost to be levied on selected raw material commodities exported from the Philippines. The imposition of the levy will replace the amount withdrawn from the exporters as a result of the 20 per cent retention

of dollar export-receipts by the Central Bank and is not designed to produce any additional burden upon our export industries.

This full decontrol measure is advantageous from a number of economic considerations. *First*, it will pave the way for the adoption of a fixed rate of exchange for the peso which is considered necessary if we must stabilize the basis for business planning and add greater certainty to profit expectations so essential to investment decisions. This is especially important in connection with our objective of attracting foreign investors who would prefer that foreign exchange transactions remain relatively free from the adverse effects of a fluctuating exchange rate.

Second, the full decontrol would yield to the government the full amount of the proceeds of the levy and, therefore, augment the scarce resources for financing development projects. At present less than 50 per cent of the proceeds of the foreign exchange retention program of the Central Bank accrues to the national government and the balance is retained by the Central Bank. As proposed, the bill would limit the proceeds of the full decontrol measure for financing economic development including research as well as foreign trade promotion. In order to supplement the long term credit resources for the private sectors the bill provides for making part of the proceeds of the levy available for private ventures.

Third, the selective character of the impost which excludes new manufactured goods encourages the processing of raw materials before exportation. The exportation of unprocessed materials to be manufactured abroad amounts to a virtual subsidy to foreign capital and labor and cannot be justified in the face of the still considerable percentage of unemployed and under-employed workers.

This program is by no means permanent but was designed as a transitional arrangement, and shall be re-examined just as soon as the economy has improved its stability.

IV. IMPROVEMENT OF ADMINISTRATIVE AND REGULATORY AGENCIES

The attainment of the objective of the Socio-Economic Program depends not only upon the soundness of the policies that are formulated, but also on the effectiveness and imagination with which they are implemented. Thus, we have deemed it essential to include as part of the legislative program proposals designed to improve and streamline the government machinery for enforcement, regulation and administration.

The first category of proposals seeks to strengthen the structural and operational framework of existing agencies that will administer various aspects of our program.

Among the offices in most urgent need of such action are the Bureau of Customs, the Bureau of Internal Revenue and the Reparations Commission. By the nature of their functions, they are destined to play pivotal roles in our design for economic progress. Unfortunately, years of past neglect and mismanagement have turned certain areas of these agencies into havens of malfeasance, inefficiency, red tape and authoritarianism. Unless drastic changes are made in their organizational framework, power structure and standards of performance, they can never hope to fulfill the mission assigned them. Consequently, we are requesting Congress for full authority to restructure and revitalize the Bureau of Customs, the Bureau of Internal Revenue and the Reparations Commission to enable us to achieve the desired ends of simple organization, efficient operation and integrity of official action.

We earlier adverted to proposals for the amendment of the Corporation Law which would authorize the Securities and Exchange Commission to promulgate regulations needed to protect stockholders and investors more adequately. In support of its rule-making powers, we propose to confer on the SEC more dynamic supervisory powers over corporations and their activities.

Our second set of proposals involves the creation of new agencies where none exist today, or the replacement of existing offices whose organizational and power bases are inadequate for the successful accomplishment of the tasks assigned to them. Our proposals in this regard cover:

(a) The creation of a Maritime Commission. The Philippines is perhaps the only country of its size, geography and stage of development which does not have an adequate administrative machinery to oversee the orderly growth and efficient operation of its shipping system. Under our laws, there is no single entity charged with exclusive responsibility for supervision and administration of coastwise and foreign navigation. The creation of the commission will make possible a more adequate supervision of this important mode of public transport, foster its integrated planning and development and enhance the effectiveness of government subsidies in its behalf;

(b) The replacement of the Bureau of Fisheries by a Fisheries Commission which shall be charged with the enforcement and administration of all laws pertaining to the utilization, development and conservation of our fishery and other aquatic resources. The Bureau of Fisheries, shackled as it is with the limitations inherent in a government bureau, is unsuited for this important task and should be replaced by an entity geared to dynamic and flexible action;

(c) The Creation of a Food and Drugs Administration which shall be directly and primarily responsible for the exercise of that administrative vigilance necessary to ensure the safety, quality and purity of foods, drugs and cosmetics offered for the consumption of the public.

V. MEASURES TO ADJUST ECONOMIC INEQUALITIES IN TAX BENEFITS

In the understandable zeal of the government to establish and encourage new desirable areas of economic endeavor, there occurred instances when legislation which at the time of enactment appeared quite satisfactory later began to favor certain industries and sectors to an extent more than what is feasible and necessary. In some cases, the incentives offered under such legislation have served their purposes and such incentives offered at the cost of additional tax revenues are no longer required. In other cases, the incentives partook of the nature of hidden and unnecessary subsidies, and the passage of time has indicated that the financial burden to the government was much more than it could afford.

Thus, distortions of this nature create economic inequalities brought about by government action in the first place. Granted that the intentions were valid and pressing at the time of enactment, it behooves us to correct and remedy such imbalances once we have viewed the adverse results.

The Basic Industries Law is one such problem. Republic Act No. 3127 had an admirable objective, namely, the formation of an industrial base so vital to the development of our economy. The encouragement took the form of exemptions from duties and other taxes incident to the importation of machineries and equipment to establish these industries. At the same time, it was clear that such tax exemptions would bring about some tax losses. Thus, the logic behind the law was to encourage the formation of those essentially basic industries, without needlessly sacrificing tax revenues for others already established as well as those secondary manufacturing industries which had exhibited their ability to flourish without the need for additional support.

Unfortunately, the list of industries which were granted tax exemption privileges under the Basic Industries Law proved to be exceptionally inclusive, a number of those favored being either basic or requiring further encouragement. To rectify these loopholes in an otherwise sound method of encouragement, we propose amendatory legislation.

One final important point must be made in connection with amending the Basic Industries Law. If national policy on preferred and priority industries is to be consistent and coordinated, it is necessary that due care must be taken in specifying the preferred areas of economic endeavor in both the amended Basic Industries Law and in the Investment Incentives Act. While identical fields of high priority may not be possible due to the somewhat diverging objectives of the two laws, yet together they establish the industries of critical importance and primary preoccupation in our development program.

VI. CONCLUSION

These are the economic measures in the Legislative Program that we are presenting this year for your consideration. We shall submit in due course separate messages to this august body dealing with our recommendations on the abolition of tenancy, on electoral, judicial, and moral reforms, and on the tax measures which are a vital prerequisite to an accelerated rate of economic development consistent with monetary stability.

In all candor, the Legislative Program that we propose for 1963 is a bold one, for the time for timidity is past. It is a far-reaching Program for the era of superficial solutions is ended.

And it is an ambitious Program for the time has come for this Nation to take the long step forward. Our people, caught up in the tidal wave of rising aspirations that is sweeping all shores, cannot be put off much longer. We must meet those aspirations—not through popular remedies that grant mere respite and leave the basic distortions in the economy untouched—but through measure that will—in one gigantic, magnificent sweep—force the economy away from the moribund state it has existed in for generations and start it surely on the road to sustained growth and progress. Any effort less than this cannot prevail.

But while the Legislative Program be bold, far-reaching, and ambitious, we submit in all humility, that the ends for which it has been conceived are all within the pale of our grasp and capabilities; that this country's reserves of labor, brainpower, leadership, natural wealth and determination to progress wait only to be fully harnessed by the necessary legislative instruments; and that it is only our lack of faith in ourselves, our lack of faith in the material and spiritual resources of this land that could stop us from mounting the grand effort that would enable us to achieve our goals.

There are those among us who may hesitate at the breadth of the measures we are proposing. And there are those who may doubt whether this Nation possesses the will and the power to realize the things we aspire for. But in the end those who hesitate and those who doubt must come face to face with the reality of the questions that this nation's leadership must ultimately answer:

Are we prepared to make the hard decisions that alone can provide the solutions to our problems?

And are we prepared to assume the labors and sacrifices and the responsibilities that the making of those decisions will entail?

Are we resolved to remake the values and the institutions that keep us from acting with dispatch and resolution?

Are we willing to distribute the cost of economic growth and public services among those who can bear them better?

And are we ready to strike down the seats of inequity, to do greater justice to more men, to share the fruits of this nation's progress with more of our countrymen?

Or shall we be content to drift along with the status quo, hesitant to lift a vigorous hand, afraid to make the commitments that our problems call for, betraying the trust that is both the honor and burden of leadership—and abandoning the economy to inevitable decay and our people to their traditional lot of misery and hunger?

These are the ultimate questions that both the Presidency and the Congress, as well as the Judiciary, have to answer as they go about their separate tasks. In our highest deliberations, the choice between decision and timidity, between growth and retrogression, will constantly confront us. Let our choice be made always in wisdom and justice and resolution—and always in the knowledge that present in our most secret counsels are the aspiring millions that we serve, waiting—for an expression of our willingness to lead vigorously that the economy grow, for proof of our resolve to act courageously that the people may prosper, for an affirmation of our commitment to wield the powers of our high office in the measure that will win for our countrymen the gift of abundant life under justice that is the common goal of all free peoples everywhere and that we cannot in decency deny to our own.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**Revenue Message of President Diosdado Macapagal Revenue Program Message
of
His Excellency Diosdado Macapagal
President of the Philippines**

[Released on April 7, 1963]

REVENUE PROGRAM MESSAGE

WE MUST face the stark reality—we cannot achieve the rapid role of progress that we need and seek without sacrifice. We cannot have prosperity without paying a price. We cannot make our meritorious socio-economic development program succeed without the necessary funds.

In our recent message to Congress recommending the passage of twenty-six vital economic measures, we reaffirmed this Administration's commitment to the concept of total growth. Such a commitment is not without its price for real economic progress involves decisiveness, labor and sacrifice from those who seek to enjoy its blessings. It involves, as we stressed in that message, nothing less than a reform in some of the key institutions that make up the economy—to strengthen them, to remove their inherent inequities and defects, to correct their imperfections—and thereby transform these institutions into more dynamic instruments of economic development.

If we are to achieve the objective of lasting economic growth, the Philippine system of revenue-raising which stands at the core of our economy must undergo extensive reform. In a developing country such as the Philippines, the Government is constrained to assume a much more active and important role in economic and social development. It is in this regard that our revenue system becomes an even more focal institution.

Our revenue system is not only expected to produce revenue sufficient to enable the Government to discharge its vital functions and to promote development, but it must, in addition be structured in such a manner as will enable the state to distribute the costs of development equitably among its citizens. It must be devised in such a manner as will enable every able citizen to contribute proportionately and equitably to the cost of government in accordance with his ability to pay.

Moreover, the revenue system must encourage a more efficient use of resources and help to achieve a greater volume of investment. The system must be dynamic; it must be constantly attuned to the shifts and changes in the economy so that it shall continue to be a just, equitable and adequate instrument which will provide the Government with the necessary funds to discharge its functions adequately at the same time that it promotes economic stability and growth.

Over the past decade, our economy has grown and diversified immensely. Manufacturing and mining which once constituted 13.1 per cent of national income in 1951 now accounts for 17.4 per cent, and it is estimated that by 1967 it will be over 25 per cent. Despite the change in the composition of the economy, however, the structure of taxation has remained basically static. The provisions of our Tax Code, still geared to import-export activities, hamper in many instances the operations of those who actually produce rather than merely trade in goods. The burden of revenue-raising continues to fall on those who consume.

Over three-fourths of our taxes are still being raised through indirect taxes that are largely shifted on to the masses of our people who consume these goods, while only about one-fourth are borne by the profit-earner. We are therefore faced with a revenue system which has failed to remain consistent to the changing structure of the economy to the extent that it actually taxes more those who have benefited less from economic change while virtually absolving from any increase in the tax burden those who have profited more.

This inequity in the structure of Philippine taxes is continuously being aggravated in the sense that the bulk of government efforts is allocated primarily to promote the growth of the income of the producer and industrialist. Public investments in power, highways and communications, irrigation systems—projects made possible by taxes—

benefit directly the private investor, enabling him to produce more with greater efficiency and to distribute his goods more cheaply.

Yet while the producer's share in the national income has grown dramatically, the ratio of his contribution to total government revenue has more or less remained constant. The producer obtains an increasingly greater share of the fruits of economic growth while the consumer continues to bear the main bulk of supporting government operations and investments.

Another inequitable feature of our revenue system stems from the fact that special interests have managed over the years to inject preferential provisions that have eroded the effectiveness of some revenue measures applying to such groups thereby absolving them from paying their just share of taxes. This "erosion" in our revenue system usually takes the form of gigantic tax loopholes or outright tax benefits that permit the favored few to pay less and thereby compel the many to pay more. The regressive aspect of our revenue system should be restructured in order to lessen undue concentration of riches and economic power in special groups and spread the benefits of the nation's resources among the greater bulk of our people.

These defects in the substance of our revenue laws do not by any means stand alone. They find their counterparts in the many weaknesses that exist in the procedural and administrative provisions of our revenue system. Each year, untold millions cannot be collected because outmoded rules and requirements that prevent our administrators from collecting taxes in an expeditious and effective manner. Ambiguities in the law precipitate time-consuming and expensive litigation merely for the purpose of determining whether a tax is or is not due the government. These defects have reduced government revenues and correspondingly reduced the Government's capacity to furnish the people with essential public services.

In view of these, it is imperative that we update our revenue system and make it a more effective vehicle of government action. We must reform its regressive aspect and eliminate its gross inequities and inequalities. We must ask those who have more to assume a greater share in carrying the great and heavy burden of the government. We must adjust the sharp cleavages in wealth among our people not by dragging down the rich but by distributing more equitably the economic and social fruits of the Nation. We must introduce administrative changes in our revenue laws and render them more understanding to the tax-paying public through the elements of logic, clarity, expeditiousness and simplicity in their construction and operation.

Towards this end, we recommend to Congress a revenue-raising proposal embracing the following objectives:

First, measures that will seek to infuse a greater element of equity into our revenue system by correcting its present regressive nature. We propose to achieve this by aligning taxes more closely with the ability to pay, by asking those who have benefited more from economic growth to contribute a greater share in the cost of economic development, by linking more directly cost to benefit, and by alleviating rank inequalities in wealth through the judicious allocation of the tax burden;

Second, measures that will seek to improve the effectiveness of our tax administration by eliminating ambiguities, improving tax procedures and criteria, and plugging the loopholes that have developed over the years in our revenue laws;

Third, measures that will seek to raise the funds necessary to provide the Government with the means to support essential public services and make vital public investments; and

Lastly, as a corollary objective, our revenue-raising reform program will also attempt a more judicious sharing of our revenues between the national and local governments in order to enable the latter to meet their expanding responsibilities in a more effective manner.

More specifically, these objectives are sought to be achieved through the following revisions in our revenue laws:

I.—ADMINISTRATIVE IMPROVEMENT OF B.I.R.

Some of the bills being proposed for enactment are designed to update some provisions of the National Internal Revenue Code to make a more efficient and effective organization. The passage of these bills cannot be overstressed.

It will be readily seen, for example, that the present organizational set-up of the Bureau of Internal Revenue is inconsistent with the actual conditions since the provisions of the Tax Code do not conform to the division of the country into regional districts. Consequently, the powers and functions of the Bureau's officials in all the regional districts may be subject to legal questions on the technicality that their positions and powers are nowhere provided for in the Revenue Code. In view of this, an amendment of the Revenue Code would be in order.

Another amendment to the Revenue Code which is proposed for enactment is the retention of municipal treasurers as collection agents of the Bureau of Internal Revenue in places where collection agents are not at present assigned or where the assignment of such agents by the Bureau would entail prohibitive expenses. This would appear trivial on the surface, but taking into account the necessity of increasing the efficiency of collection methods, daily collections must be reflected in the cash position of the Treasury at any given time. The manner of remitting collections to the Treasurer of the Philippines by collection agents is also being changed in order to effect greater efficiency and to eliminate administrative red-tape.

II.—REFORM OF OUR INCOME TAX

A situation where the Government derives its revenues largely from direct taxes on mass consumption commodities, of which items the more affluent consume an insignificant amount, places the tax burden on the common man who as a consequence would have less to meet his most elementary needs, like food and clothing. Even if the tax revenues were expended on essential public services like schools and hospitals, there would be no net benefit since he himself would be paying for those services out of this meager income.

The regressive character of our income tax laws retards national progress. Of total taxes—both national and local—direct taxes barely represent 22% as compared to 78% in the United States; 32% in India, approximately 54% in Japan, not to mention European countries with progressive tax laws. It is obvious that our present tax structure is incapable of providing the wherewithal necessary to solve the vital social and economic problems of the Nation.

The Joint Legislative-Executive Tax Commission which has undertaken extensive researches on our income tax structure has reported that “the low ratio in income tax collections to national income has tended to belie the significance of this particular revenue source in our tax and fiscal structure. Founded on the principle of ability-to-pay, the income tax, ideally, should serve as the equalizer of national wealth. But the present income tax rate curve is not responsive to this end, instead, it represents a marked departure from the principle of a fair and equitable distribution of the tax load.”

The Tax Commission has presented a number of observations which require urgent reexamination that “to attain our objective of underscoring the progressive rather than the regressive factors in allocating the tax burden, income tax rates have to be revised to reflect more accurately the economic temper of the times. Our income tax rates, for instance, have been decried as too low when compared with those of other countries in similar stages of economic development.

Indeed as a nation, the Philippines holds the dubious distinction of having one of the lowest figures in the percentage of the national income that is absorbed by taxes. The ratio for this country stood at 12.2% in 1960 as against 20.2% in Ceylon, 19.7% in Burma, and 26.8% in the United States. We notice a significant discrepancy in the figures as it relates to Ceylon and Burma which are on substantially the same level of economic development as our country.

Personal Income Tax

Our personal income tax laws could easily absorb an appreciable increase both in the level of the rate as well as in the degree of progression of its rate structure. As may perhaps be indicated by the preceding comparative statistics, an extremely low ratio of personal income tax to total tax collection obtains in the Philippines. In 1960, for instance, only 6.9% of our revenues were in the form of personal income taxes. There is an undue cleavage between this figure and those pertaining to Pakistan, which was 14.1%; Japan, 28.8%; Germany, 27.8%; Canada, 33%; the United States, 39.5% and the Netherlands, 40.3%.

The basic reason for these low returns from personal income taxes is, of course, directly attributable to the fact that our personal income tax rates are abnormally low. Beyond this, however, potential revenues from this source have on the main been dissipated by the generous exemptions and deductions allowed by the law. Personal earnings that would have been taxed quite substantially in other jurisdictions are quite often fully absolved completely from any income tax in this country. For example, an average-sized Filipino family composed of a couple and four minor children, which earns the fairly large income of P600 per month or P7,200 per year would not have to pay a single centavo of personal income tax at all. Approximately, this same family, even if it raised its income to P800 per month or P9,600 per year, would have to pay an income tax, under our present rates, of only fifty pesos.

Other figures are equally revealing. Out of a population of 29 million people, only 423,000 or 1.5% filed income tax returns, and of these, 103,000 or but 1/3 of 1% of the total population paid income taxes amounting to P77 million. These income taxes paid accounted for 8.4% of total collections from taxes for the fiscal year 1960.

There clearly exist strong and undeniable reasons for a reform in the personal income tax, not so much to raise revenue as to affect a more equitable distribution of the tax burden among our people. To this end, we recommend a revision of our income tax rates that shall impose a minimum tax of 5% instead of 3% on the first P2,000 of taxable income, i.e., the balance remaining after all allowable deductions and exemptions have been deducted, and a maximum rate of 70% instead of 60%, on taxable income in excess of half a million pesos.

We hasten to underscore, in this connection, that in 1950-52 and again in 1954-55, when Republic Acts 590 and 1094, respectively, were in force, the minimum rates on individual income tax started a 5% on the first P2,000 of taxable income, the same rate now being proposed.

Similarly, as another measure of reform, we propose to have rates designed in such a manner as to make progression gradual, avoiding as much as possible those sudden spurts in the tax rates that result in the imposition of drastically different rates for substantially the same amount of income. This has been done primarily through the division of income into 37, instead of only 24, income tax brackets, which makes it possible to maintain a graph curve with gradual progression in contrast to that obtaining under the previous divisions. One result of this step, primarily as it refers to some middle-income earners, is that it has actually resulted in decrease of the applicable tax rate.

Corporate Income Tax

The present provision of the Internal Revenue Tax Code on corporate income imposes a tax of 22% on the first P100,000 of net taxable income and 30% on the amount in excess of P100,000. The tax rate is recommended to be increased from 22% to 25% for the first P50,000 on net taxable income; 30% for taxable income in excess of P50,000 up to P250,000; and 35% on income exceeding P250,000.

The proposed amendments, it will be noted, have been devised to impose a graduated tax composed of three rates in order to introduce a greater area of equity. Even with these readjustment, our corporate income tax rates would continue to be one of the lowest in the world. Comparable rates in other countries, for example, are 45% for India and Pakistan, and 52% for the United States, although there is presently a proposal to reduce the least to a pre-Korean war level at 47%. Although a much higher corporate rate could conceivably be absorbed by our corporate establishments, we have retained substantially the same tax rates in order not to affect the scale and tempo of investment activity.

Corollary to the new rates applicable on corporations, it is recommended that building and loan associations organized under the corporation law (which are now taxed at the rate of 12% on net taxable income) be placed on

the same level as other corporations. The present rate to which such entities are subjected is unwarranted preference, and constitutes an undue tax advantage over other business enterprises.

Further, in relation to the tax on corporations, we also recommend the amendment of Section 30 of the Tax Code in order to improve our system of taxing the income of nonresident foreign companies. We propose to achieve this end through an amendment that would clarify the provision's actual intent and thereby enable the government to close a loophole arising from the fact that the law as interpreted by the courts at present allows the deduction even of taxes imposed by a foreign jurisdiction on income actually earned by a foreigner within this country.

Still in connection with income taxes, we recommend the amendment of Section 37(a) (6) to include as part of a person's taxable income gains and profits derived entirely from sources within the Philippines, irrespective of the place where the actual sale is effected or consummated. If not corrected in time, the interpretation placed on this provision by our courts would open the doors to a tax loophole that would enable the owner of personal property such as shares or securities to avoid the payment of Philippine taxes merely by selling the same in another jurisdiction.

Compensatory Amendments

Anticipating the objections that may be raised in connection with this revision in our income taxes, we stress the fact that the changes in our tax laws are intended to be balanced. Such revisions are intended not only to achieve the objectives of equity, effective administration and revenue, but are intended as well to accelerate investments.

Thus, among the twenty-six bills that we presented to Congress, we included a recommendation that would set a limit of 25% on the rate of tax on capital gains, a limit that in the case of a long-term gain would result in an effective rate of 12 1/2 per cent. Aside from the proposal to reduce the rate of tax on this type of income, we likewise proposed the extension of this privilege to corporations which at present must include as part of their ordinary profits any gains they may derive from the sale or transfer of capital asset. This is a significant change in our corporation taxation that will produce extensive advantages in the form of tax savings which will in turn, it is hoped, be subsequently reflected in an over-all expression in the rate of corporate investments.

In the same vein, we desire to point out that in our proposal for the passage of an investment incentives law designed to foster the entry of both foreign and domestic capital into key industries, we included among the stated incentives such benefits as accelerated depreciation, loss-carry-over and exemption from customs and other import duties, while the full decontrol measure now pending in Congress also provides for additional income to the Government by levying an import duty of 10% on the peso proceeds of exports in addition to the objective of effecting the final phase of the decontrol program through the unification of our exchange rates.

III.—READJUSTMENT OF TRANSFER TAXES

We propose to effect a readjustment of the present rates of estate inheritance and donation taxes found in Sections 85, 86, 109 and 110 of the National Internal Revenue Code.

Reforms are particularly indicated in the area of transfer taxes because it is only fair that the unearned wealth accruing from such transfer be made to bear a proportionate share of the expenses of government. The rates of transfer and inheritance taxes found in Sections 85 and 86 respectively on the Tax Code, are therefore increased. A similar modification is made in the taxes on donations found in Sections 109 and 110 respectively of the Code. In addition, a more realistic valuation of real property for purposes of estate and inheritance taxes is made possible by fixing the fair market value of an estate at 150% of the assessed value, unless the contrary is shown. This modification of Section 91 is introduced not only to widen the tax base but likewise to prevent gross undervaluation of estate for tax purposes.

We expect to collect additional revenue amounting to four million pesos from these amendments.

IV.—REVISION OF SPECIFIC TAXES

To enable the Bureau of Internal Revenue to plug the loopholes that now make possible the avoidance or evasion of certain specific taxes, we recommend the amendment of some provisions in Title IV of the Tax Code. Some of these recommendations, which are explained in more detail in the explanatory notes accompanying the proposals, pertain to the imposition of a specific tax of P10 flat rate on imported flavoring extracts and other flavoring extracts, instead of the present P.70, in order to remove a major difficulty on the part of the Bureau of Internal Revenue in the collection of taxes from this type of imported commodities; a specific tax of P.10 per gauge liter on domestic denatured alcohol in order to effectively regulate the manufacture and disposition of this alcohol product; an adjustment on the specific tax rates on cigars from the present P.0046 a piece to P.007 to approximate present-day prices; chemically treated native leaf tobacco under the same classification as Virginia-type tobacco and imposing on it the same rates of specific taxes; the reclassification of cigarettes wrapped in aluminum foil and plio-film in the same category as cigarettes wrapped in tinfoil and cellophane, authorizing the Bureau of Internal Revenue to inquire into the disposition of raw materials usable for the production of alcohol or spirits to prevent illegal channeling of these raw materials as well as empowering the Commissioner of Internal Revenue to regulate the traffic on containers of distilled spirits, a measure which will minimize the illegal disposition of alcoholic products; an amendment increasing the maximum amount of bonds required of manufacturers and importers of articles subject to the specific tax from P50,000 (which was based on pre-war levels) to P100 000 in order to harmonize the rates to present business conditions.

Other amendatory proposals to Title IV of the Tax Code are intended as deterrents in the commission of frauds against revenue laws on specific taxes. By penalizing unauthorized possession of any apparatus or mechanical contrivance for the manufacture of articles subject to the specific tax, the illicit manufacture of cigarettes, for one thing, will be minimized, if not altogether eliminated. Other proposals which are calculated to correct the present defects of this title of the Tax Code provided for the denaturation of alcohol only within distillery premises to prevent the removal of alcohol from bonded warehouses without prepayment of specific taxes; the increase of the minimum amount of the fine and imprisonment for illegal possession of certain printing paraphernalia as well as the illegal possession of illicit internal revenue stamps and labels, with the provision that if the offender is an alien, he shall be subject to deportation.

In order to effectively enforce the provisions of the Tax Code imposing the specific tax on imported articles, particularly on cigarettes, it is recommended that Sections 125 and 174 of the National Internal Revenue Code be likewise amended. This is a matter of extreme urgency if we are to grapple successfully with the vexing problems arising from the smuggling of “blue seal” cigarettes.

Section 125 of the Tax Code is proposed to be amended by deleting the phrase “excepting persons in possession of an article resulting from a single isolated transaction done in good faith, where the value of said articles does not exceed one hundred pesos.” This proposed amendment will particularly help effectively enforce the campaign against the open retailing and peddling of “blue seal” cigarettes.

Section 174 of the Tax Code is proposed to be amended by deleting the phrase “excepting persons in possession of an article resulting from a single transaction done in good faith.” This proposed amendment is a consequence of the proposed amendment to Section 125 of the Tax Code, as explained in the preceding paragraph. This section is also proposed to be amended by providing for the deportation of alien offenders as a deterrent to the commission of offenses under this title.

Another proposed amendment to Section 174 of the Tax Code will punish violations of this section by both fine and imprisonment instead of by fine or imprisonment, a weak provision of law which has encouraged tax evasion particularly in the smuggling of “blue seal” cigarettes which yearly results in losses amounting to millions of pesos in uncollected revenue from this source.

Section 166 is being amended by providing for the refund or credit to the compounders of the specific tax collected on distilled spirits used in the manufacture of intoxicating beverage exported abroad to correlate the provisions of the Code particularly the provisions thereof which state that the specific tax shall not be collected on “anything

produced or manufactured here which shall be removed for exportation and is actually exported without returning to the Philippines, whether so exported in its original state or as an ingredient or part of any manufactured article or products.” This amendment will certainly favor our export industry in the sense that local compounders can now enter their intoxicating beverages in foreign markets under a much improved competitive position.

Increased Taxes on Automotive Fuels

The maintenance, improvement, and expansion of our national road network, as envisaged in the Five-Year Socio-Economic Program, calls for a little less than three hundred million pesos as the minimum requirement throughout the entire period. We propose that a good portion of this requirement be met by an increase in the rates of tax on gasoline, diesel fuel, oil, and lubricating oils. Moreover, we feel that the measure now before the Committee on Ways and Means in the House of Representatives substantially harmonizes with what we consider to be an important source of revenue to meet the requirements of our improvement and expansion for our system. We have included this pending bill among those mentioned in this message to express our full agreement with the sound economic logic pervading the bill.

Specifically, the tax on lubricating oils is recommended to be raised from P.07 to P.08 centavos per liter, and denatured alcohol used for motive power from P.01 to P.02 per liter. On automotive diesel fuel oil the adjustment will be from P1 per metric ton to P.06 per liter, and a new tax of P.02 per liter will be imposed on industrial diesel oil and similar fuel oils. Finally the tax on gasoline is proposed to be raised from P.08 to P.12 per liter.

While the resultant impact of these tax modifications will in all probability express itself to some extent by an increase in automotive fuel prices, yet it cannot be gainsaid that to this same extent the burden will be shouldered by those who will stand to benefit from the present revenue measure. By this expedient, it seems logical to utilize the “benefits received” principle of taxation in a valid area.

V.—REVISION OF BUSINESS TAXES

We likewise propose to introduce amendments on business taxes particularly pertaining to the annual fixed taxes on business and occupation, the miller’s tax and the exemption in favor of agricultural products.

The annual fixed tax on manufacturers, importers, producers, contractors, millers and other persons subject to percentage taxes as well as the annual graduated fixed tax imposed on wholesalers, retailers and other distributors can stand an increase without necessarily impairing business incentives. Taxpayers belonging to a lower sale bracket presently pay a relatively heavier rate than those with a larger volume of sales. This must be corrected. Moreover, wholesale distributors of liquors should be taxed at the same rate as retailers thus placing them on equal footing for tax purposes. The tax on manufactured tobacco is also reverted to a previous rate.

To improve and simplify our administrative revenue-raising machinery in the collection of taxes on certain enterprises where collection costs far outweigh tax yield, we recommend the modification of such laws. The 2% tax on rice and corn millers and jeepney operators are examples. The imposition of an annual fixed tax on rice and corn millers and jeepney operators, the amount of which would depend on milling capacity and number and type of vehicles, respectively, in lieu of the present tax is reasonably in order. Aside from improving efficiency in tax collection, the proposal will minimize tax evasion. Furthermore, by making tax payments more convenient for rice and corn millers, the establishment of urgently needed bonded warehouses will be encouraged.

The fixed tax on occupations should be widened in coverage by including other professions and occupations. It is proposed that the existing rates on certain occupations are either reduced or increased to subject persons of equal earning capacities to the same tax treatment.

From these proposed revisions of the fixed taxes we expect to generate additional revenues of P2.8 million.

The other provision requiring revision is Section 188 (b) of the Tax Code which exempts agricultural products from the sales tax which exempts growers and producers of agricultural products canning their own produce from the tax while applying the same on those processing or canning purchased products. In keeping with the principle of equity in taxation, the proposed amendment would revive substantially the same provisions which were in effect prior to the passage of Republic Act 1856 on June 22, 1957. By so doing, we expect to augment our revenues by at least P1,000,000.

Again, for reasons of equity, we also propose to amend Section 189 (the millers' tax) to include sugar mills run by engine power, and coconut coir and fiber factories which are currently liable to the 7% sales tax. We have noted that while sugar centrals pay the two per cent tax, sugar mills have enjoyed tax exemption because of mere technicalities. Our proposal to place coconut coir and fiber in the same tax category as coconut oil and desiccated coconut is designed to encourage the processing of agricultural wastes which have wide potential markets here and abroad.

VI.—MISCELLANEOUS TAXES

The proposals to revise miscellaneous taxes are designed primarily to plug existing loopholes, to improve the machinery for the administration and collection of various taxes and fees, and to change the rates in the light of existing conditions and circumstances.

Among others, it is proposed that Section 260 which exempts admission fees of P0.20 or less from the Amusement Tax, be amended so as to impose the tax on all admission fees to eliminate a convenient loophole for evading payment of the tax, subjecting Jai-Alai games to the tax of 20% on gross receipts, along with cockfighting and horse racing; modifying rates of forest charges by effecting increases of 25% and transferring the duty of measuring forest products from the Bureau of Internal Revenue to the Bureau of Forestry; increasing the surcharge in case of delinquency in the payment of forest charges and prescribing additional penalties to prevent the denudation of our forests brought about by surreptitious and illegal logging activities. Moreover, it is proposed that the Bureau of Mines, upon the recommendation of the Bureau of Forestry be authorized to issue permits for the removal of certain minerals under its jurisdictions in order to harmonize conflicting provisions of Section 270 of the Tax Code and Commonwealth Act No. 136; subjecting .22 caliber firearms to the annual tax of P20 and P15 and withdrawing the exemption of members of gun clubs from the payment of license fees; and fixing the hunting permit fee at P5 for all game, big and small.

VII.—CHANGES IN THE SYSTEM OF GRANTING ALLOTMENTS TO LOCAL GOVERNMENT

Under present law, provinces, cities and municipalities, are entitled to only 12% of internal revenue collections. It is strongly recommended that this share be increased to 15% as a means of strengthening the financial position of local governments and raising the morale of local government administrators. Local governments possess inadequate revenue resources since the local Autonomy Act (R.A. 2264) prohibits local governments from imposing those major taxes exclusively reserved for the national government. This proposal would involve an increase of P11 million for local governments from the National Treasury.

The manner of distributing allotment among the various local units, however, must be adjusted. Presently, the distribution of such funds is based on population, which is conducive to inefficiency and passiveness in the local level for obvious reasons. It is therefore recommended to change the distribution formula as follows: population, 80%; collection, 5%; land area, 10%; and equal distribution, 5%.

With collection efficiency as a factor, the proposal is calculated to spread the benefits of internal revenue allotments more equitably.

The inequalities arising from the distribution of excess income tax collections should also be adjusted. Under the present law, 30% of the excess collection of any fiscal year over that of FY 1959 is allotted to localities where tax payment is made. This inequality arising from the operation of this formula has been observed in Fiscal Year 1961 to have benefited only a few local units which received about 85% of the excess amount earmarked for distribution.

We recommend a reduction of the 30% share to 10% and the distribution of the balance of 20% to all localities on the basis of population to spread these funds more equitably in the local level.

Moreover, the advisability of changing the base year from fiscal year 1959 to the third fiscal year immediately preceding should be considered. Since collections are not static, it is possible that with 1959 as the base year, the excess amount itself may eventually exceed the base year collections in a few years, a situation which would render illogical the original basis for allotment.

As a measure of further improving the cash position of local government, the automatic retention of the share of internal revenue collections of local governments before their remittance to the National Treasury, should be authorized. The present system of remitting these funds to local units on a quarterly basis by the Bureau of Internal Revenue is cumbersome both to the bureau and local governments.

VIII.—CODIFICATION OF THE REAL PROPERTY TAX LAWS

The deterrent factor that stunts the growth of local autonomy is the restriction on local governments, when for lack of financing, they are unable to implement their programme and policies.

The traditional source of local financing is the real property tax. The tremendous potential of the tax, however, is left largely untapped because of outmoded and disjointed laws coupled with poor administration. Whereas the tax originally contributed no less than 60% of total revenues, it is now providing a minimal 15%. This seeming lack of promise in the tax is tending to make local governments shift to the expediency of enacting innumerable tax laws and ordinances that are both petty and regressive.

The features of our proposed real property tax law are intended not only to realize this revenue potential but also to inject a measure of equity in the manner of estimating the tax base.

First of all, the level of assessment will be raised from the present 40% of current market value to as much as 100% and effective local rates increased from 1% to 2% of the assessed value.

Secondly, the assessment level will be made uniform through a revitalized equalization machinery and a strong control organization which will supervise and coordinate the activities of all local assessment offices. Administration will be greatly enhanced through provisions for assessment and collection techniques which were heretofore unknown, and the strengthening of penal provisions and remedies for collection.

The most outstanding feature of the revision will be the codification of the Assessment Law and the provisions of the various city charters, except that of Manila, dealing with the real property tax in order to ensure the uniformity of the tax in its application to the entire country. Finally, the proposed code easily makes ascertainable such as that of "true and full value," to guide local administrators in the enforcement of the tax.

IX.—SCHOOL FINANCING MEASURE

One of the most vital and critical areas of development in the Socio-Economic Program lies in the field of adequate educational facilities, and, of the many problems which still beset our country, perhaps the most pressing is the continuing financial difficulty in providing for the increase in enrolment in public elementary schools. Realizing full well that the basis of any national education program is a sound base of universal literacy, we now present a coordinated elementary school financing program which should do away with the annual need for extraordinary appropriations for extension classes on the elementary level.

The suggested remedial legislation would attack the problem on various fronts: on the need for additional classes, and on the complementary requirement for additional school buildings. At the same time, the municipal

governments would assume a greater role in the operation of local intermediate classes, while the responsibility for the primary grades would remain with the national government.

It is clear that a mere transfer of fund from national government coffers to the local governments in itself would be meaningless; hence, along with the transfer of financial responsibility for the intermediate grades to the local governments, there would at the same time be created new sources of revenue on both the local and national level. Thus, local governments would now have revenue earmarked for Municipal Intermediate School Funds; should these prove insufficient, financial assistance on a short-term basis could be provided to individual municipalities by an Intermediate School Equalization Fund administered by the National Government. Finally, adequate funds for the construction of new school buildings would be provided for by a Public Elementary School Building Special Fund, which would be administered by the Department of Education on a long-range basis.

With the creation of these special funds and the provision for adequate sources of revenue to replenish these funds, it is our sincere belief that the annual elementary school crisis will have become a thing of the past; more than that, we believe that in a year or two it will be possible to accept all children of school age in public schools. This statement we can make with confidence, provided that the share of appropriations that went into elementary education in previous national budgets is maintained in the future. The basic difference would be that education would no longer claim an annually increasing share of the General Fund as had been the case in the past, nor would it be necessary to make frantic provisions for the opening of additional classes soon after the opening of each regular school year.

Our proposal to transfer the financial responsibility for the intermediate grades to local government with concomitant new sources of revenue is intended to remove the major bottleneck to compliance with the constitutional mandate on primary education, and opens the way for more detailed study on the hundred-and-one other problems of public education. The provision for new classes and classrooms does not provide a panacea for the other educational ills, but it does mean that a major hurdle to universal literacy in our country will have been overcome.

CONCLUSION

Together with the other legislative recommendations, our revenue proposals are integrated under a master plan, the Five-Year Integrated Socio-Economic Development Program, each one of the proposals forming a vital cog, enmeshing with the others to provide a powerful engine for generating economic growth.

We cannot overemphasize the point that the magnitude and the rate of economic development in the public sector is critically dependent on the revenue-raising program. Thus, while the national budget recently submitted to Congress envisions an "A" budget of some P2,159 million of which P412 million or 19% represents capital outlays, we invite attention to the fact that the "B" budget amounting to P279.8 million includes roughly P90 million worth of capital projects of the highest priority, the implementation of which is dependent on the enactment of these revenue measures and the Full Decontrol measure now pending in Congress.

Our studies show that the aggregate expenditures in the proposed "A" budget will be adequately supported by the combined ordinary and extraordinary receipts accruing to the National Government, the aggregate of which is estimated at roughly P2,164 million for 1964 fiscal year.

Inasmuch as the expected income from the existing revenue system of the National Government will sufficiently cover the proposed expenditures in the "A" budget, the additional revenues which we hope to derive from the enactment of these measures will be used to finance the proposed outlays contained in the "B" budget. From these measures, we expect to increase the income accruing to the National Government by about P173 million (excluding the revision of the rates of Residence Taxes which is expected to yield an additional P42 million earmarked for Public Elementary Schools); we also hope to derive another P190 million from the Full Decontrol Measure, thus bringing an expected aggregate increase of about P363 million in the income of the National Government.

Since the expected aggregate increase of roughly P405 million will be more than sufficient to finance the proposed outlays of some P279.8 million in the "B" budget, we intend to apply whatever excess funds that will be realized in

limiting the flotation of government bonds which have already been programmed in the "A" budget. The less resort which the Government will have to borrowing in the financing of its program, the more stable will be our monetary system, and the lesser will be the consequent burdens in the repayment and servicing of the national debt. Thus, aside from effecting much-needed reforms in the Government's revenue system, the enactment by Congress of these measures will enable the Government to implement the important projects outlined in the "B" budget and to further reduce substantially its reliance on bond financing.

Let it be stressed that in the national endeavor of maximizing economic growth, the imperative necessity for greater tax revenues can never be considered unnecessary, provided the incremental revenues are put to use wisely in capital projects and developmental services.

It may be recalled that in our Budget Message, we stressed the need for additional revenues from revised taxation to meet the demand on the General Fund alone.

In our concern to lighten the load of sacrifice required of our people for the attainment of their prosperity, we had sanguinely hoped that we could avoid the revision of our revenue laws for the purpose of raising the funds needed for the support of our five-year economic development program. After exhausting the potentialities of intensified and equitable collection of existing revenues, we have realized that our present revenue resources could not be depended upon to provide the needed magnitude. In this regard, we cannot stress enough the fact that the Government cannot depend alone on improvements in the collection of existing taxes since such a possibility has already been taken into consideration in the preparation of the Fiscal Year 1964 Budget. Rather, it is imperative that a good portion of the expected revenue accruing to the National Government be met from collections derived from a drastic overhaul of the outmoded revenue system which has become inconsistent with the changing structure of our economy.

Then as now, we reiterate our stand that the greater that portion of the Budget which is met by collections, the greater will be our ability and confidence in undertaking the pressing capital requirements of the development program without excessive concern over the ever-present danger of inflation that invariably accompanies irresponsible deficit financing.

The revenue measures presented in the draft bills accompanying this message are expected to generate an additional P260 million of revenue (plus P42 million to be used for public elementary schools). Of this, some P85 million will accrue to local governments through the revision of the Real Property Tax Code and the Allotment Law, and the National Government can in its turn expect to receive about P173 million. A detailed breakdown of the expected increment in revenue to be obtained from each proposal is contained in an appendix to this message.

The revisions in the Philippine revenue system that we have outlined will not by themselves enable us to fully achieve our three stated aims of equity, administrative effectiveness, and revenue. We recognize that the goal of equity is an ideal that is never completely attained, but it is nevertheless an ideal worth pursuing. With particular reference to our country, we realize that the need for development funds always outstrips our nation's capacity to produce them just as our aspirations must always to some extent outdistance our means. But while these revenue measures must of necessity fall short of conceptual tax standards, collectively they do represent a significant advance in our efforts to reform and strengthen an institution which constitutes the key to many of our blueprints for progress.

It is in this sense that we wish to underscore the importance of the revenue measures that we now submit to Congress for approval.

Let Congress, as it deliberates upon these proposals, consider that the failure of our revenue program could well mean the failure of this nation's program of economic growth, and that the rejection of revenue measures that we now endorse may in effect be a rejection of the goal of plenty to which this nation is committed and to which all our citizens aspire.

Let us therefore cast aside partisan preferences and view these measures with an objective eye. Let us muster the courage and forthright attitude in facing up to the stark realities of the present, pointing out as it does the need for a decisive revision of our tax statutes as a vital imperative to our economic program. Let us remember that complacency and indecisiveness make for ineffectual progress. Given therefore the choice between economic retardation through hesitation and accelerated progress through courage and understanding, we can do no less than to choose the course that would surely lead to a stronger, more stable, and more progressive economy.

We face a supreme challenge to our courage and patriotism because some of these measures may not be momentarily palatable to the very people whom we seek to serve. The remedies are of the nature of medicine which is not instantly agreeable to the patient but which he must take for his good. They are measures which, heretofore, being politically disadvantageous we would not even consider. So this is a time of test which will show who among us are sheer politicians and who are sincere public servants and statesmen. The test will be whether one will refrain or will courageously support those measures needed for the success of our economic program and for the good of the economy and the country but which may not be instantly popular with segments of the people. For those who are faithful to the country and those who are sterling leaders of the people and who are statesmen, there can be no choice except to support what is needed for the attainment of our goal of rapid economic growth and social progress despite momentary disapproval from the public. To the true public servant and the statesman, there is only one duty—to do with courage not what is popular but what is good for the people.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Diosdado Macapagal, Third State of the Nation Address, January 27, 1964

**Message
of
His Excellency Diosdado Macapagal
President of the Philippines
To the Congress
On the State of the Nation**

[Delivered on January 27, 1964]

Mr. Senate President, Mr. Speaker, Ladies and Gentlemen of the Congress:

For the third time, I have the honor to appear before you and to present to you a report on the state of our nation. Two dramatic and eventful years have passed: this Administration now begins its third year in office. It is the projection of the past two years upon the future welfare and security of the nation which I would like to discuss with you on this occasion.

The welfare of our people has, without doubt, been substantially advanced. Not all improvements are immediately recognizable or easily detected, but there can be no question that our rate of growth as shown by all valid indicators points to continued expansion and development.

Unfortunately, political partisanship has caused some delay in the progress which this Administration endeavoured to achieve during the past two years. Partisan bickering among the political parties not only retarded progress and slowed the pace of development but also rendered impossible the full achievement of our objectives. However, we are a young nation and a bright future lies ahead of us. The past years of frustration must make way for future years of fulfilment. This must be done if we are to tip the scales against the disappointments of the past in favour of the hopes of the future.

While we have advanced in nearly all fields, our progress has not been as rapid or adequate as this Administration had desired. During the past two years, this Congress found itself unable to cooperate fully with the aims and purposes of the Administration owing mainly to the fact that the opposition held political control, first over both and then later over one of the Houses of Congress. It is my unhappy duty to report to our people that, as a result of bitter political conflict, the welfare of the people has often been overlooked, cast aside, or completely ignored. Members and leaders of all parties—all of us—have been guilty of playing too much politics, of leaving the work to those whose ability, no matter how outstanding, must prove unavailing unless they have the support of those in all the parties who have thus far placed politics above service to the people.

This is a different Congress. Both Houses of this Congress are now composed of a majority of Senators and Congressmen belonging to the party of the Administration. We now have a situation which better conforms to the accepted norm of representative government. It gives full scope to the system of political parties. While encouraging cooperation among the parties in the larger national interest it pinpoints party responsibility for the conduct of national affairs. Thus, the passage of new laws and the revision of old laws in the public interest can now be more easily undertaken. This must be done in order to enable this nation to achieve further progress toward the social and economic goals which we have envisioned for our people and for future generations to come.

Before this Congress stands you President himself tempered by the fire of honest self-appraisal. After two years of searching and endeavour, of sowing the seeds for better things, we may look forward to a bountiful harvest that will give greater hope to our people, as well as a destiny full of bright and exciting challenges.

Let us lay aside our political differences and work for the common goal: the good of our people. I hasten to assure you that the best interest of the people has been and will continue to be the prime consideration in all my acts and in all my deeds. We have passed through two years—a million moments filled with happiness as well as anxiety, with the thrill of success as well as the horror of failure. They have been moments of frustration and discouragement, of

misunderstanding and regret, of hope and achievement. These are the million moments of the past two years which have been shared by us all: the rich and the poor, the powerful and the weak, the haves and the have-nots.

Our phrase, the “New Era,” has been both acclaimed and derided. Our honest desire is to create out of this land the kind of country our people deserve—a country able to satisfy the needs and serve the welfare of all its inhabitants, and to guarantee the protection and the security of this generation and of all generations to come. We have all been guilty of some neglect—some of us to a greater degree than others. I am aware that we have not as yet been able to satisfy in just measure the hopes and aspirations of our people which we envisioned two years ago. Since we share the same hopes of achievement for our glorious land and our heroic people, can we not now all join together to give them those things which they so justly deserve? Can we not now forsake our own narrow self-interest and devote our whole strength to the realization of greater progress and happiness throughout the land?

With the help of this Congress, we shall achieve our national goals far beyond our fondest dreams. With courage and honesty of conviction, with force and power of determination to move steadily forward, we can overcome the plagues and corrupting diseases which have weakened the national fiber and so restore the health of the body politic that we may accomplish without further delay the tasks that need urgently to be done.

All this requires courage, determination, understanding, trust and cooperation. We are one nation of Filipinos, brothers one unto the other, with God-given aims and purposes, and God-given means and abilities to achieve those aims and purposes.

We have all allowed ourselves to become confused and to lose sight of our true objectives. We have been blinded by power politics and its self-serving aims. We have been led into making utterances and performing deeds which have neither serve the present needs of our people nor nourished their hopes for a better life. How amazing and unbelievable it seems that some of those who are called upon to help the people have succumbed to the temptations of personal ambition and the lust for power! As I look back to these past few years utilized but only in part for the fulfilment of our pledges and the hopes of our people, and of which so great a portion has been wasted through misunderstanding, intolerance, selfishness, and lack of trust, I realize that our people can no longer be condemned indefinitely to endure the penalty of self-serving purposes and deeds. We must face the bitter truth that the politicians of our country—and I speak for all of us—have, in fact, given to our people neither all the goodness nor all the ability nor all the love which we pledged to them and which they, in turn, expected from us.

We must work together as one, with respect for one another, with single intent to achieve through cooperation that which is best for all and to help each other do that which is right for the good of all. Not one of us is perfect, but collectively we can pursue and attain our hopes and through mutual confidence show one to the other the error of our ways. The great sin is not in making a mistake but in refusing to recognize the mistake and to correct it.

This is the beginning of our third year in office. I have examined the road we have travelled, a road full of trials and tribulations. I have looked back over these past two years not as a politician with ready excuses nor as a candidate with new promises to make, but as a President with duties and responsibilities to you and to our people.

I have tried in this way to determine honestly in my own mind the success or failure of my efforts as President. In this mood of candid self-appraisal I must say that I am not quite satisfied with the results which have been achieved. I am not happy over the mistakes which could have been avoided. So much more could have been done. So much more must of necessity, be accomplished during the next two years before we can honestly say to ourselves and to our God: “We have done our true and sincere best for our people, within the measure of our abilities according to our lights.”

As we examine ourselves in relation to the state of the nation, what can we, in truth, say of ourselves? I cannot speak for you, but this I will say for myself: Never will I be able to give all that I desire, but with a courage born of the lessons learned in sorrow during the past two years, I must and I shall devote my waking hours, life itself, to the welfare of our people. No difficulty or obstacle, however stubborn or forbidding, shall alter my course or change my will.

We must provide a better life for our people. We must give less comfort to ourselves. We must provide more hope to our nation. We must seek less gratification ourselves.

Where do we go from here—from whence have we come? That which we can do is based solely on that which we have done: “For as ye sow, so shall ye reap.”

This Administration has tried to hasten the nation’s economic growth and improve public morality. We have resolved to attend as well to the problems of health, education, labor, social welfare, national security, cultural and scientific development, the administration of justice, the maintenance of peace and order, and foreign relations. These are the duties of this Administration. These duties are first and paramount.

This Administration has, during the past years, endeavoured to establish a high standard of morality and conduct among government officials. This we felt in order to set a basic standard of conduct for the entire citizenry. We feel that we have been able to instill in the minds of the people the fact that as it prosecutes its drive for public morality, the Administration will never, under any circumstance, countenance graft and corruption. Corruption among government officials has to marked degree diminished, but it has not been completely eradicated though eradicated it must be.

We have achieved a decontrolled economy with a stable exchange rate. This no one can deny. We have improved our intentional reserves. We have had favourable balances of trade and favourable balances of payments during the past two years. Our per capita income is on the rise. Our industrial production continues to increase as does our agricultural output. The Land Reform Program is under way. A nationwide housing program for lower income groups has been launched. These are some of the good things which we in the Administration have done in our time.

Our industries have increased their use of local raw materials for the benefit of all, and as a result of our controversial but successful program of decontrol, substantial investments have been realized with the employment of both local and foreign capital so as to help establish the solid economic base for further growth.

Free enterprise has continued to prosper, and the era of stifling control seems now but a bad dream. New gigantic industries to promote the national welfare, such as steel, chemicals, pulp, and fertilizer, are underway. The prospects of employment improve in spite of our population explosion.

The establishment of these and similar enterprises will cause the proliferation of small and vital industries which will then provide the framework for self-sustained economic growth.

This Congress and the Administration have taken steps to abolish the share tenancy system and have given hope to the small farmer to produce for himself on an independent basis. The agricultural land reform code is an impressive and enduring monument to the farsightedness of our lawmakers. It may be difficult to enforce effectively, but enforce it we must if the future of our economic system is to be assured.

Our nation’s conduct in the field of international relations during the past two years has been characterized by a far more active participation in international affairs, particularly in the affairs of Southeast Asia. We have willingly accepted the challenge to carry the democratic message in our part of the world; we have played a prominent role in Maphilindo, the association of peoples of Malay origin; we have made progress on our claim to Sabah (North Borneo); we have assisted in mediating disputes between nations. Relationships of lasting importance have been formed between our country and the United States, as well as a number of Asian countries including Japan, Indonesia, Thailand, and the Republic of China, the Federal Republic of Germany, Spain, Mexico, and the new nations of Africa, particularly Madagascar.

Without diminishing our historic relations with the United States and other Western countries and without weakening our commitment to the cause of democracy and human rights, we have sought to expand our role in Asian affairs and thereby promote the stability and security of our region and enhance mutual understanding between the peoples of Asia and the people of the West.

On matters of foreign policy, the active counsel and cooperation of all parties in Congress will be sought at every opportunity.

All is not glory. Our people suffer from the continuing increase of prices and the short supply of rice. These price increases are the result no longer of decontrol, but of subsequent domestic and external pressures. The rice insufficiency in the country is aggravated by a world shortage of this commodity. To excuse ourselves or to blame others is of no moment now; what is imperative is a resolute approach to the solution of these problems.

For the future, all of us must work together to lay a new, solid foundation which will adequately utilize the natural resources which are our birthright. We must give confidence to our people. You and I must live up to and fulfil the degree of trust and confidence which our people have placed in us.

We must keep up the drive against graft.

We must implement more vigorously our program of economic and social progress and the ascendancy of Filipinos in the national economy.

We must continue our active participation in foreign affairs, particularly those that affect our national interest.

We must increase our tax revenues and facilitate public borrowing to finance the various requirements rapid economic development.

We must establish an effective administrative organization for economic development within the context of decentralized government.

We must make credit available to investors within the framework of a stable currency.

We must find a satisfactory solution to the problem of rising prices.

We must insure an adequate rice supply to the people as we seek self-sufficiency through increased production.

We must provide ready employment opportunities while stable jobs are being created under the economic program.

We must attract and give assurances to private investments, both domestic and foreign.

We must increase the minimum wage while assuring a reasonable margin of profit for employers.

We must implement a nationwide housing program for our slum and hut dwellers.

We must intensify the development of tourism as a source of dollar revenue.

We must act together to fight and destroy smuggling.

We must improve further the administration of justice.

We must improve and strengthen the local police forces all over the country.

We must adopt electoral reforms to frustrate frauds and exorbitant spending by candidates.

The hope of our nation lies in our hands. The state of the nation lies in our hearts. I pledge to you for the sake of our country, my fullest cooperation and resolve to rid our nation of the many evils which have in the past plagued our land and sapped our strength and vitality.

The state of our nation ultimately depends upon our true and honest appraisal of ourselves, our understanding, our confidence, and our ability to sacrifice for the good of the mass of our people rather than for the welfare of any particular group. We must cast off the false masks of the image-makers; the time has come to be ourselves so that what we are will shine through our works. Determined to correct the mistakes of the past and to undertake new and more hopeful initiatives for the future. I appeal to you for mutual understanding so that with a mighty will we shall labor and sacrifice together to give our people the good life they desire and deserve, but which has been denied them for so long. Let us cast aside petty personal jealousies and partisan politics from our lives; let us work only for the common good. Bound together in this Alliance for the Common Good, there are no limits to what we can do. With these words of good will towards men of good will and in this solemn act of good will, I honor you and I thank you.

Diosdado Macapagal, Fourth State of the Nation Address, January 25, 1965

**Message
of
His Excellency Diosdado Macapagal
President of the Philippines
To the Congress
On the State of the Nation**

[Delivered on January 25, 1965]

“The Philippines After Three Years (1962-1965)”

Mr. Senate President, Mr. Speaker,

Ladies and Gentlemen of Congress:

Three years ago, on this very platform, we presented the Socio-Economic Program of the Nation designed to secure the objective of economic stability and growth of the country and the alleviations of the condition of the common man.

We were filled with conviction and enthusiasm; we were inspired with the bright hope that with the attainment of those objectives, national prosperity would be achieved and the level of livelihood of the masses of our people elevated.

The same optimism and conviction still inspire us as we look back in retrospect at the last three years. Despite the difficulties and odds that confronted us in the task of moving toward our desired goals, we submit that we have been able to accomplish tangible results in carrying out the fight against poverty by effectively laying the basis of future growth and progress in freedom.

FILIPINO WAY OF LIFE

We must begin with the fundamental act of casting a scrutinizing glance at the state of our way of life. It has become a truism that the Filipino way of life consists of three minimum elements, namely, the system of freedom, the love for peace and the sustenance of the rule of law. As long as these essential ingredients of Filipinism are safeguarded, the country, whatever its problems, is safe and the future of our posterity is secure.

As we perform our duty of rendering an account of our trust to our people, we are gratified that we have strengthened these fundamental tenets of our national life and destiny.

The system of freedom—we have restored free enterprise. We have upheld the freedom of the press and other media to the tolerance of license. We believe so firmly in freedom that given a choice between licentious freedom and restricted freedom, we have by deeds preferred license to restriction because of our conviction that in an aspiring democracy in Afro-Asia, licentious freedom is better than restricted freedom because freedom has the inherent virtue of restraining its excesses but restriction bears the danger of curtailment which may lead to tyranny and despotism.

Love for peace—this is exemplified in the doctrine sanctified in our Constitution which renounces war as an instrument of national policy. We have served the cause of peace in our land by capturing Jesus Lava, the top head and brain of the communists who seek to overthrow our peace and freedom.

Not only have we maintained peace and tranquility among ourselves but we have also been fortunate to be saved from the international turmoil that has beset our immediate neighbors like Vietnam, Laos, Malaysia, Cambodia,

Indonesia, Thailand, Korea, Free China and India. We attribute this to our policy of firm opposition to international communism, aggression, subversion and infiltration in our country and to our security alliance with the United States and other free nations.

The rule of law—we all feel gratified that our people will not accept any system other than the rule of law which assures justice to the humblest citizen vis a viz the most powerful in the land. All have contributed to the impregnability of the rule of law in our society but we believe that the outstanding credit for this stability in our democratic institutions belongs to the Supreme Court under the leadership of Chief of Justice Cesar Bengzon all of whose members have upheld with zeal the inviolability of the rule of law in our free society.

Satisfied that we have bolstered the preservation of our free society, which is of overriding importance, we shall now review the results of our efforts in the last three years in the light of the goals that we have set and the conditions under which we were constrained to attain those goals for our people, deduce there from what remains to be done and draw a picture of the outlook for the future.

Free Enterprise and Nationalism

The things done which we shall speak of are the cumulative significance of the past three years. They were not the logical results of an economy allowed to maintain its sedentary pace in the mainstream of the status quo. Radical changes had to be introduced into the economic structure of the country. Drastic reforms in administration had to be undertaken, and tremendous efforts had to be exerted to provide the social services demanded by an expanding population in the face of inadequate resources.

The national objectives we defined had to confront, in their implementation, the reality of a situation the terms of which were not merely issues of the national condition but of the surrounding actuality of ourselves as a sovereign nation. We formulated those objectives at a time when the Philippine Republic had to exercise larger responsibilities within the Southeast Asian area as well as in the emergent community of the Afro-Asian continent.

It was for this reason that the most basic and fundamental change which was instituted by the Administration was to release the innate power of our people for progress by liberating the economy from controls and thus enabling our citizens to assume the major responsibility for national development.

The controlling idea of the Nation's program of free enterprise that we launched was nationalism, and the goal of that nationalism was economic prosperity and enlarged freedom for the masses of the Filipino people.

ESTABLISHING THE BASE FOR SOCIO-ECONOMIC GROWTH

We shall now list the main results of our efforts on the progress of this program for the people which we shall number one (1) to (109). The problem of restoring economic stability must inevitably lead to the necessity of creating an assured base for dynamic national growth.

Production

1) In this connection, agricultural production rose by 4.8 per cent during crop year 1964, slightly lower than the 5.0 per cent increase registered the previous year. On the other hand, mining output increased 6.3 per cent over calendar year 1964, much better than the 1.5 per cent registered in 1963. Most encouraging of all, manufacturing production rose by 10.7 per cent for the first nine months of 1964, in contrast to the 6.4 per cent recorded the previous year. Production trends are, therefore, very satisfactory.

Credit

2) On the other hand, the spurt in physical production was accompanied by a substantial increase in domestic credits which as of October 1964 had risen by 13.5 per cent over the previous twelve months, a development which requires close watch.

International Reserve

3) In the external sector, foreign exchange receipts totaled \$1,358 million or an increase of 17.4 per cent over the previous year. Foreign exchange disbursements amounted to \$1,372 million, 19.4 per cent over 1963. Over the year, therefore, net foreign exchange disbursements amounted to \$15 million. Correspondingly, the international reserves stood at \$136 million by the end of 1964 compared to \$147 million a year ago.

Infrastructure Program

The success in attracting an increasing magnitude of private investments in the Nation's development efforts is to a certain extent dependent on the ability of the Government to lay the infrastructure conducive to enhancing investment possibilities in industry and agriculture.

Highways

The first area of priority was the improvement and expansion of our highway and land transport networks.

From 1962 to 1964, the Bureau of Public Highways undertook the construction and improvement of 7,633 kilometers of national, provincial, city and municipal roads at a total cost of P107.9 million in addition to 3,500 linear meters of bridges constructed and improved involving an expenditure of P22.6 million.

In 1964 alone, P13 million was spent for the construction of 913 kilometers of feeder and secondary roads and the paving or improvement of another 975 kilometers; while P420,000 was expended for construction and improvement of 435 lineal meters of small bridges. During last year, a total of 27,550 kilometers of combined national, provincial and city roads and 31,000 lineal meters of bridges were maintained and repaired with total expenditures of P52,625,170 under the Highway Special Fund.

4) Among the major projects undertaken during the past three years in highway construction were the concrete paving of portions of the Manila South Road in Quezon, Laguna and Camarines Norte; the Manila North Road in Tarlac and Pangasinan; the Cabuyao-Calamba Road in Laguna; the Marawi City-Iligan City Road; the Balintawak-Novaliches Road in Quezon City; the Bagabag-Banawe Road in Nueva Vizcaya.

5) Major asphalt road projects included the Baguio-Bontoc and the Benguet-Kalinga Road in Mountain Province; the Cagayan Valley Road in Cagayan; the Misamis Oriental-Agusan Road; the Surigao-Agusan Road and Iba North Road in Zambales.

6) Some of the major bridge projects were the construction of the Catarman Bridge in Samar and the Tomacalao Bridge in Ilocos Norte, and the improvement of Del Pan Bridge in Manila.

7) As of the present, a number of highway and bridge projects are underway. These include the widening of the Manila North Road from Tullahan Bridge to the Malinta Section in Bulacan; the improvement of the Dalton-Sta. Fe Section of the Cagayan Valley Road; the Cotabato-Davao Road and million-peso bridge projects in Nagtahan, Manila; Buntun, Cagayan; Sipocot, Camarines Sur; Bongabong, Oriental Mindoro; and Padilla, Pangasinan. The construction of an underpass in P. Burgos Street and the improvement of the Guadalupe Bridge in Makati, Rizal, will soon be started.

8) On the Nation's project of a Pan-Philippine Highway System, the existing kilometrage consists of 26,223 kilometers in Luzon, 16,446 kilometers in the Visayas and 13,462 in Mindanao or a total of 56,131 kilometers of which 16% was paved, 62% paved with gravel or stone and 22% is unsurfaced. In this System, there are 11,333

bridges with a total length of 240,525 lineal meters of which 155,790 lineal meters or 65% are of contemporary construction. The completion of this project requires the concreting of 3,003 kilometers during the period 1965-1969.

Flood Control and Irrigation

The second urgent objective was the expansion of flood control and drainage and irrigation facilities.

9) About 232 flood control and drainage projects have been completed with 92 more in various stages of completion. These projects which are estimated to protect 155,000 hectares of valuable land involved an expenditure of P29.6 million in the past three years. Notable projects undertaken were the Solis-Tecson, Paranaque, Blumentritt and Reyes Severino drainage mains in Manila and suburbs.

10) Five (5) national irrigation projects, serving a combined area of some 30,800 hectares, were completed during the same period. Construction of 13 other national irrigation projects, servicing an additional 60,000 hectares, are underway. In communal irrigation, 211 projects have been completed as of the end of 1964, with 25 others soon to be completed. These communal projects would add 60,700 hectares to our irrigated agricultural lands.

Electrification

Necessary to the program of socio-economic development is the task of power conservation and the scientific utilization of power for general well-being and public convenience.

11) The thermal plan in Limay, Bataan, will have a 75,000 kilowatt initial capacity. Aside from increasing the power for the Luzon Grid especially during the dry season, this project will also serve the energy requirements of the Bataan Peninsula.

12) Even as these projects are being implemented, the NPC is pursuing other functions in its continuing efforts to develop additional power projects. These consist of surveys, investigations, project planning, geologic studies and design. In 1964 alone, the NPC surveyed six areas, investigated 31 rivers, planned four large-scale projects for development and assessed an additional power potential of 80,000 kilowatts coming mostly from small streams. This has brought the total assessed water potential to 2,680,000 kilowatts, including 1,416,000 KW in Luzon, 104,000 KW in the Visayas and 1,160,000 KW in Mindanao.

Complementing the activities of the National Power Corporation in bringing the benefits of electricity to our rural populace is the Electrification Administration.

The 1960 census indicates that only 766,000 out of 4,648,000 total dwellings, or about 16%, were served by electricity; the remaining 84% of the populace, composed largely of rural dwellers, are without the benefits of electric service.

The capacity of the Electrification Administration to assist and encourage the establishment of a sufficient number of electrification systems has been seriously handicapped by the inadequacy of available funds.

13) Since its creation, the Electrification Administration has initiated some 40 electrification projects ranging from 30-kilowatt to 300-kilowatt generating systems, financed mostly from its allotment for capital expenditures during Fiscal Years 1964 and 1965. This performance, although it underscores a conscious direction of efforts in pursuance of desirable goals, is still insufficient to meet our total requirements.

Obviously, nothing short of a nationwide crash program could forge a major breakthrough in this particular field.

14) Therefore, we have initially provided for the acquisition of \$5 million worth of equipment and materials from Japanese reparations. This initial equipment outlay, refunds, will be adequate to install electric systems in about 240 towns. Additional equipment would be installed in subsequent stages of the program.

The improvement and modernization plan for the Manila International Airport is being implemented with a loan of \$5.6 million from the Export-Import Bank of Washington.

15) In this connection, it is most gratifying to note that in our state visit to the United States last October, President Johnson manifested his interest in a nationwide rural electrification program as a possible area of American financial assistance.

But we are not yet satisfied with the above infrastructure development during the past three years. We are aware that there are still many projects which have been carefully planned but as yet not implemented due to lack of funds.

16) In fact, we have programmed for FY 1965 the prosecution of several essential projects. There are projects involving a school building program, irrigation, rural electrification, road construction, airport and air navigation, and waterworks and artesian wells, the total cost of which would amount to about P486 million. But we regret to say that without any substantial increase in government income, we may not be able to start on many of these projects due to the non-availability of funds.

Finally, we are pleased to announce the successful public issue of \$15 million worth of Philippine government bonds in the United States a few days ago; the issue was oversubscribed. Proceeds of this bond issue will be channeled to the NWSA expansion program and other priority development projects.

The success and the relative ease which characterized our foreign borrowing negotiations are strongly indicative of the soundness of our international credit position, the respect of other nations in our financial capabilities, and the confidence of these nations in our ability to adhere to our international commitments.

Incentives and Assistance to Industries

In the promotion of industrial growth, the government has provided a healthy investment climate through protection, incentives, and varied forms of financial assistance.

17) Thus, in the case of the Iligan Integrated Steel Mills project, a half-billion peso undertaking designed to meet the country's iron and steel requirements for industrial expansion and development, \$62.3 million was obtained from the Export-Import Bank of Washington early last year.

18) In the case of the coastwise shipping program, 40 million deutch marks were made available by the Kreditanstalt of Germany for loans to the private sector through the Development Bank of the Philippines.

The most significant of the tax exemption laws, however, is the Basic Industries Law. At present, about 50 basic industries have availed of the exemption privilege. The magnitude in absolute figures of the assistance given to these industries in terms of tax savings amounted to P46 million from March, 1963 to June, 1964. Under our Administration, the Nation's small cottage industries have thrived and grown.

19) The expansion program of the National Waterworks and Sewerage Authority was assured of \$20.2 million from the World Bank.

20) The U. P. College of Agriculture in Los Baños, Laguna obtained a \$6 million loan commitment from the World Bank for the construction and improvement of its facilities.

21) A \$6 million credit line for the Ports and Harbors Program of expansion and modernization was re-negotiated.

22) As of the end of 1962 when the new and necessary industries law terminated, 589 new and necessary industries were in actual operation, substantially developed and capable of operating without the need for additional assistance from the government.

NACIDA

23) It should be mentioned here that the NACIDA, whose prime responsibility and function is the development of cottage industries, was established at the start of this Administration. After the first nine months of operation, the NACIDA registered a total of 1,770 cottage industries. For the past three years, NACIDA has conducted 410 researchers in foods, ceramics, fiber craft, wood, bamboo and rattan craft which have encouraged cottage industry activities along these lines.

Loans and Investment Council

24) To coordinate the resources of the Government financial institutions for optimal effect, we established the Loans and Investment Council early in 1963. We are happy to report that the investment placements as of the end of 1964 of the member financial institutions have reached P3,538 million, an increase of 15.4 per cent over the previous year, and some 70 per cent more than the level of P2,077 million in 1961. Most of these funds have been used to finance vital agricultural, industrial, and commercial development requirements. The existence of the Council has also made possible syndicated financing by the member institutions for very large projects, where it might not have been possible for one institution alone to bear the risk.

Such coordination never before undertaken has made possible the approval of the \$62.3 million loan by the United States Export-Import Bank to the Iligan Steel Mills, and has facilitated the negotiations now going on between the Sta. Ines Steel Corporation and the Kreditanstalt of Germany. These two major projects when completed will supply the economy with 520,000 tons of steel products annually and will reduce steel importations by 80 per cent. The pace of industrialization will be substantially accelerated with these projects. Corollary steps are now being undertaken on the development of metallurgical coal, refractory bricks, the necessary technical services, as well as geological investigations and serial surveys.

Government Finances

In a country of scarce resources such as ours, it is imperative that public finances should be scrupulously administered so as to avoid situations where serious imbalances occur as a result of great disparity between income and expenditure.

Actual Income

25) Since 1962, government receipts from all sources have risen appreciably on an average of about 17 per cent. From P1.2 billion in FY 1961, government collections increased to P1.6 billion in FY 1963 and to about P1.9 billion in FY 1964.

This gratifying performance was due mainly to the satisfactory efforts of the Government's collection agencies.

26) Gross collections made by the Bureau of Customs steadily increased from P564 million in 1962 to P631 million in 1963 and finally to P666 million in 1964. These figures show an increase of 11.9 per cent in 1963 and another 5.5 per cent in 1963 to 1964.

27) Moreover, the Bureau of Customs intensified its efforts against smuggling as borne out by relevant statistics. During FY 1964, additional taxes and duties collected at the port of Manila from technical and pure smuggling amounted to P8.5 million which was P3.5 million more than that collected in FY 1963. Additional collections effected by reason of re-appraisal and/or reclassification of imported goods after examination for the last three years amounted to P56 million.

The performance of the other major collecting arm of the government—the Bureau of Internal Revenue—was also noteworthy.

28) During the period from 1962 to 1964 gross internal revenue collection reached P3.6 billion as compared to only P2.3 billion collected for the period from 1959 to 1961. These figures represent a notable increase of P1.3 billion in collections. Significantly, collections from all major internal revenue sources registered increases thereby attesting to the efficiency of the administrative reforms implemented by that office.

In a developing country like the Philippines, the Government has the major responsibility of providing increasing service and social overhead projects designed to spur economic development.

Needed Income

For 1964 alone, a total P2.1 billion was spent for the purpose of operating the Government, providing facilities for peace and order and stimulating economic and social development. We must add that the expenditures of the National Government have been increasing over the years, and they will continue to increase as the population increases and the economy develops. In contrast, our income, even as it increases during the years, has not been of such magnitude as to cope with actual and programmed expenditure. Unless revenues are adequately augmented, it is estimated that from FY 1966 to FY 1970, a recurring revenue deficit averaging P425 million annually is likely to occur.

This projected deficit is based on the revised Five-Year Fiscal Program covering FY 1966-1970 of the operating departments and agencies and projections of revenues from existing sources. The gap would even be larger considering the new exemptions and use of funds for other purposes as contained in legislation passed during the last session.

Furthermore, if all the existing appropriations under the General Fund for this current fiscal year were taken into consideration, and considering that intensified tax collection has already raised collection by 17 per cent, the disparity between expected revenues of some P1.9 billion and statutorily authorized expenditures of over P4.0 billion in the General Fund alone would be impossible to bridge, and would be meaningless for operational purposes.

In the light of this situation, we would stress again our resolve to pursue sound and prudent fiscal policies.

29) Thus, although the Government borrowed a gross amount of P377 million from January 1962 to June 1963, it redeemed P287 million.

In turn, it devolves upon Congress to tap new sources of revenue. When appropriation measures are passed by Congress, the Executive considers them not decisively from the availability of revenues but from the essentiality and importance of the service provided. It is the duty of the Government to provide and to find ways and means of financing such services which promote the public welfare.

Local Government Finances

30) Moreover, the fiscal position of the local governments showed marked improvements. Real property tax collections for FY 1964 were P26 million more than the collections made during FY 1961. The total gross income from general fund sources of local governments in FY 1963 was P54 million more than the income for FY 1961. In addition, local governments received, as their share from internal revenue collections of the national Government, P318 million during FY 1963, representing an increase of P100 million over what they received in FY 1961.

The role of government corporations in the realm of economic development lies essentially in undertaking ventures in new and untried fields where the risks involved may inhibit private enterprise.

In this sense, therefore, government corporations play a pivotal role in the attainment of our development objectives, particularly in the areas of production and industrial development and social amelioration.

31) The Cebu Portland Cement Company sold its Naga Cement Plant to a private corporation in August 1963 and since then has concentrated its activities to the promotion of the coal industry and coke processing. It has laid the groundwork for the establishment of a coking plant in Malangas, Zamboanga del Sur.

32) As a significant social experiment aimed at improving the condition of labor, the Government effected the transfer of the NDC textile mills to its employees. The GSIS has sold 5 per cent of its shares in the Philippine Air Lines. Moreover, the GSIS has decided to sell its preemptive shares in PAL to the private sector as it is still considering the eventual liquidation of its shares in this airline company.

33) While the transfer of the Iligan Integrated Steel Mills to a private group is being finalized, the National Shipyards and Steel Corporation have expanded dry-docking and shipbuilding facilities at the Bataan National Shipyards. NASSCO is now capable of undertaking repairs on Philippine Navy Ships, privately-owned inter-island and ocean-going vessels which before had to be serviced in Japan, Hongkong and the United States.

34) A major undertaking of NASSCO now nearing completion is the Jose Panganiban project in Camarines Norte which is designed as the first modern pig iron smelting plant in the country for the processing of indigenous iron ore to pig iron.

The expansion projects of the Philippines National Railways (formerly the Manila Railroad Company) would extend its lines by 310 kilometers from Nueva Ecija to Cagayan in the North and the existing lines in Southern Luzon by 153 kilometers. Progress of these projects has been slow in view of financial stringencies being faced by the PNR.

35) Procurement of materials and supplies for the Sorsogon project will be accelerated this year with the signing of a loan agreement with Japanese suppliers.

DEVELOPMENT OF AGRICULTURE AND NATURAL RESOURCES

At the root of the difficulties being faced by any developing economy is the problem of self-sufficiency in food, the ultimate necessity for life. The magnitude of this problem may be properly gauged when one considers that with our population increasing by 3.2 per cent annually, we have to feed 20,000 more mouths every week, or one million every year.

Increased Productivity in Agriculture

These considerations have spurred the Government to intensify its efforts in achieving greater productivity in food, particularly rice, corn, meat, poultry, eggs and dairy products. Of these, rice and corn, being the country's primary staples, received the greatest concentration of the Government's efforts.

Rice and Corn Production

36) The rice and corn production program of the Rice and Corn Coordinating Council, involving various forms of assistance to farmers, yielded encouraging results. During the crop year 1963-64, assistance under this program was extended to 311,889 rice farmers with an area of 493,853 hectares and to 21,851 corn farmers with an area of 49,340 hectares. As a result, rice production in assisted areas increased from 14.8 million cavans to 24 million cavans, with the yield per hectare registering a remarkable increase of from 30 cavans to 48.55 cavans or by 61 per cent.

37) Likewise, the yield of corn increased from 789,000 cavans to 1,480,000 cavans. This represents an increase of almost 100 per cent in yield per hectare.

38) Apart from this continuing program to improve rice and corn culture, the Government also launched a crash program of rice production during the “palagad” season of from January to June, 1964, in order to offset, to the extent possible, the rice shortage of last year. This was participated in by fourteen cooperating agencies headed by the administratively created Rice and Corn Authority, with each agency taking charge of a specific function, from farm planning, fertilizer and cereal distribution, soil analysis, research, irrigation to administrative and statistical coordination.

The crash program covered 170,082 hectares in 42 provinces with 77,205 farmers involved. Although only about 20 per cent of the area was fertilized and 33 per cent chemically treated, the yield per hectare amounted to 48.4 cavans, as compared to the national average of only 28 cavans per hectare in previous years.

From the above results we can draw the assurance that, given the necessary implements and the means for carrying out far-ranging programs of this kind, the Philippines can eventually achieve self-sufficiency in rice. We are still stumped by the same problems—fiscal, organizational, logistical and other problems. More than anything else, the habitual typhoons and floods in the country have done much to negate our efforts.

The Government’s determination to pursue a consistent program of increased food production has been undaunted by these setbacks caused by nature, but the intensification of our efforts to expand the program to all areas is constrained by the Achilles heel of our developmental endeavor—lack of revenues. More funds than are currently available would be required to achieve the ultimate goal of self-sufficiency and thus enable us to depend on our own resources.

Our per capita consumption of meat, poultry, eggs and dairy products stands among the lowest in the world. In recognition of this deficiency, the Government has embarked on a long range program of propagating and improving our livestock and poultry population under the auspices of the Bureau of Animal Industry.

39) Thus, the number of artificial breeding centers was increased from only two in 1961 to 22 in 1964; natural breeding services, from 3,639 to 6,624; and artificial breeding services, from 6,002 to 8,882. Likewise, the number of existing propagation stations was doubled in three years from 36 in 1961 to 72 in 1964.

40) The Government has also imported pure breeds, notably cattle, swine and chicken, which were either dispersed, loaned out or sold for breeding purposes.

41) In disease control, about 3 million livestock and 84 million poultry were vaccinated in the three years from 1962 to 1964, and some 23 researches completed for the improvement of animal breeds and the cure of diseases.

42) Manufacture of biologics and sera has been maintained at an average of some 103 million doses annually.

We note with satisfaction that these activities by the Government are being augmented to some extent by private projects which are our prime hope for economic growth. There are now 24 feed manufacturers, three more than in 1961. Distributions of feed products are being facilitated with the increase in the number of retailers from 535 in 1961 to 782 as of last count. We have also seen the number of cattle ranchers increase in the last three years, from 312 to 1,353, and the number of meat packing plants from 45 to 126.

43) Farm-size animal and poultry raising projects likewise increased from 9,061 in 1961 to 18,902 in 1964.

44) These activities have contributed in no small measure to the increase in poultry and livestock population for the period from 1961 to 1964 in these magnitudes; 22 per cent for carabaos, 26 per cent for cattle, 31 per cent for hogs, 24 per cent for chicken and 20 per cent for ducks. Not only have these increases cut down our import requirements of meat and poultry, but more important, they reflect a discernible breakthrough in our aspirations to bring our consumption of superior nutrients closer to Philippine nutritional standards.

Fishing

The creation of the Philippine Fisheries Commission during our Administration under Republic Act No. 3512 afforded the Government a more effective vehicle for launching an accelerated fisheries development program aimed at increasing fish production from both inland and marine waters.

45) Corollary to the establishment of this Commission, an area comprising about one hectare of Manila Bay in Navotas, Rizal, was reserved as a fisheries development center by virtue of Proclamation No. 87, and earlier, Pier No. 14 was declared for the exclusive use of fishing vessels.

With these measures, the intensification of various fishery projects ensued in the following years. Fisherman's wharves have been started in Barugao, Leyte; Gumaca, Quezon; Damortis, La Union; Baguey, Cagayan; Bayawan, Negros Oriental; and Guiuan, Samar.

46) Under the joint auspices of the Emergency Employment Administration and the Fisheries Commission, 10-ton refrigerated ice plants for storage were constructed in Mercedes, Camarines Norte; Sagon, Negros Occidental; Barugao, Leyte; and Bayawan, Negros Oriental. Smaller plants with 6-ton capacity were put up in Guiuan, Samar; Magallanes, Sorsogon and New Washington, Aklan. Assistance was also received from the U. S. AID-ACA in the form of refrigerated equipment valued at \$200,000.00.

47) There are now almost 133,000 hectares of fishponds in operation involving a total investment of P265 million. Since 1962, a total of 941 fishpond applications has been received and processed, with an aggregate area of 34,670 hectares. Demonstration and experimental fishponds for bangos culture and other fresh water fish culture have been established in 36 areas.

48) In addition to these measures, steps were also taken to increase output in existing resources. The use of purse seine for deep-sea fishing has been emphasized; from only 6 in 1961, there are now 23 purse seine in use, with sixty more expected to begin operation at the start of 1965.

We see in these the chance of achieving sufficient supply for our domestic requirements and the beginning of a thriving export industry for fish and fishery products.

Forest Conservation and Utilization

Our forest resources continue to play a dominant role in the economy, being one of its traditional major dollar earners and a natural protection from the destructive effect of floods.

Hence, the Bureau of Forestry has instituted a system of sustained yield management through the selective logging method which has evoked favorable reaction from various sectors as an effective measure of conserving our forest resources.

49) The activities of the Reforestation Administration during the past three years have been geared to this same end. Between 1962 and 1964, some 88,852 hectares were reforested and 319,674 hectares placed under maintenance. During the same period some 2,703,000 liters of seed stock were sown in the plantations where now stand some 193 million living trees. Were it not for the damage wrought by strong typhoons in 1964, the results would have been much more.

Mineral Resources

The development, exploitation and wise utilization of the mineral resources of the country are a continuing responsibility of the government.

50) From 1962 to 1964, geological and mineral surveys conducted by the Bureau of Mines covered nearly 3 million hectares. From these surveys were discovered the aluminous laterite deposit in Bucas Grande, Surigao, the magnetite (iron) beach sand deposits along the Luzon coastline, and the asbestos deposits in the Zambales-

Pangasinan region. Detailed geological studies were also conducted on the chromite deposit in the Zambales region; iron deposits in Ilocos Norte, Camarines Norte, Rizal, Oriental Mindoro, Zamboanga City and Zamboanga del Sur; copper deposits in Negros Occidental. Exploration work disclosed substantial additional reserves of coals, asbestos, nickelliferous laterite, nickel ore and alumina laterite.

51) Of far-reaching significance in the development of our vast mineral resources is the scheduled bidding for the operation of Parcel II of the Surigao Mineral Reservation, which contains an area of 40,000 hectares rich in supply of nickel deposits.

SOCIAL SERVICES AND WELFARE PROGRAM

Land Reform

In recalling the crusade of the Administration to promote the welfare of the common man, we must necessarily make reference to the enactment of the Land Reform Code for we consider this event as the milestone of our endeavors. The welfare of the common man has been and continues to be our central concern.

Despite the elimination of the Land Tax provision in the code, which could have provided adequate revenues with which to speedily implement Land Reform, we are happy to announce that the Government has been able with the meager finances available to gradually carry out its objectives.

52) Through the National Land Reform Council, which coordinates the plans and activities of the different land reform agencies, we have been able to establish dynamic machinery which is capable, with adequate financial support, to transform the objectives of land reform into reality.

Visible implementation, however, has been limited due mainly to the inability of present government finances to provide the fund requirements of the Land Bank amounting to P150 million. Tangible benefits were largely the product of the Land Authority's laborious efforts.

53) The Land Authority has undertaken a program to increase the productivity, to raise the standard of living conditions of the beneficiaries and to improve the administrative management of settlement projects and landed estates which were taken over from the defunct NARRA and LTA. This program involves settlements and estates, having an aggregate area of 452,296 hectares which accommodate 48,520 families.

54) In consonance with the objective of acquiring land for distribution, three agricultural landed estates with an aggregate area of 2,214 hectares have been expropriated, while the expropriation of 7 additional estates with a total area of 6,487 hectares is still pending.

55) To give substance to our program of land for the landless, distribution of land was undertaken involving LTA estates. As a result, 250 agreements to sell and 29 transfers of rights were issued, while 485 deeds of sale and 29 transfers of rights were issued, while 485 deeds of sale were released. Furthermore, 340 sales applications were processed and investigated and 80 orders of award were given to applicants.

56) The Land Authority has paved the way for the proclamation of leasehold areas in Plaridel, Bulacan; San Luis, Pampanga and at Concepcion, Tarlac. These land reform districts involve some 7,500 farmers cultivating an aggregate area of about 17,700 hectares of land.

These are concrete and tangible works which are eloquent proof of the government's firm resolve to make the Land Reform Code a dynamic instrument for fighting poverty through increased production. They should allay all doubts on the feasibility and certain realization of our ambitious and goals.

But these activities, heartwarming as they may seem, cannot be used to validly excuse the neglect and failure in providing the Government with additional funds which could have been channeled, among other vital needs, to

accelerate land reform activities. To render the program fully operational, a total appropriation of P597 million would be required.

Health

The problem of maintaining the nation's health requires nothing less than unceasing vigilance.

There have been marked improvements in sanitation, community water systems, drainage systems, refuse collection and waste disposal.

In our effort to improve the nutritional deficiencies among Filipinos, we are continuing to implement the Rice Enrichment Program with inspectors being sent to the provinces to assure its success.

57) Over the last three years, 74 hospitals have been constructed or improved at a cost of about P19 million. In addition, the facilities of existing government hospitals have been expanded and bed capacity increase.

58) To further improve medical care to a greater number of patients, the Bureau of Medical Services has urged the growth and development of privately owned hospitals, which now number 238 and accommodate a total bed capacity of 10,811.

59) Three Medical Centers (Baguio General Hospital, Southern Islands Hospital and Davao General Hospital), and 20 hospitals were developed as teaching hospitals.

The campaign for disease control has continued without pause.

60) In Malaria control, we have developed a program which has been carried out with relative success. The morbidity and mortality rate from malaria dropped from 135.8 and 4.3 respectively in 1962 to 86.2 and 3.3 respectively in 1963 per 100,000 population.

61) In tuberculosis control, over 3,000,000 patients were attended to by mobile units which covered a population of 9,000,000 people. Since 1962, 2,500,000 children were tuberculin tested of whom 1,500,000 were vaccinated with BCG. In large measure, this activity was the cause for the drop of tuberculosis mortality from 79.5 in 1962 to 72 per 100,000 population in 1963.

Education

We must face realistically the classroom needs for public elementary schools. There are now 15,032 temporary classrooms and 3,269 classrooms in rented buildings. Due to deterioration, 6,415 classrooms need to be replaced every year. Considering the annual increase of enrolment of 300,000 there is additional need for 5,454 classrooms or a total of 11,865 classrooms which are immediately needed. This need requires an expenditure of P52.5 million.

62) In spite of revenue limitations, we effected an increase of P95 million in the 1964-65 outlays for education over that of 1963-64. The magnitude of this increase is accentuated by the fact that outlays for 1963-64. The magnitude of this increase is accentuated by the fact that an outlay for 1963-64 was itself P40 million over that of 1962-63. Within two years, therefore, outlays for education rose by 37 per cent.

Only by increasing the budget for education were we able to solve the recurring school crisis brought about by rapid population growth.

63) The additional amount expended made possible the appointment of 39,575 new public elementary school teachers over the last three years and the opening or construction of 4,673 classroom units with the capacity of absorbing at least 187,000 additional students on just a single shift.

64) It also provided every public school elementary and secondary pupil with at least three books, or a total of 16 million textbooks valued at P36 million.

65) In the area of higher education, the progress achieved by the University of the Philippines is worthy of special mention. It has won the recognition and support of American foundations in an unprecedented manner and it has attracted Asian students in increasing number.

66) Three additional state colleges were established during the period in review namely, the Mindanao Institute of Technology at Kabacan, Cotabato; the Central Luzon Polytechnique College of Cabanatuan City and the Don Severino Agricultural College at Indang, Cavite.

67) Two universities, the Central Luzon State University in Muñoz, Nueva Ecija and the University of Eastern Philippines at Catarman, Samar have been elevated from College status.

68) In the development of skilled manpower in agriculture, industrial, trade-technical, fishery and other vocational areas, it is heartening to report that whereas in 1961-62, the Bureau of Vocational Educational had 174 schools with an enrollment of 68,769; the school year 1964-65 finds it with 30 more schools and 17,988 more students.

69) A significant contribution of the public schools to national production consists of their agricultural projects which involved the cultivation of 124,866 hectares producing varied crops with a total value of about P62 million. There are now 27,158 food production projects among public school students and personnel.

70) To better equip our adult illiterates for greater opportunities, our education authorities have been implementing a program of adult education. About 18,242 adult illiterates have taken advantage of this program.

71) To complement all these activities, there have been great strides taken to improve the private school system, the library network and the National Museum which is the repository of the national record and is charged with the heavy and crucial responsibility of "perpetuating all that is desirable in the national heritage."

72) Our education officials have expended a major share of their energies towards the upgrading of the quality of graduates through the revision of curricula and the selection of qualified personnel.

Housing

Many of us are aware of the fact that housing projects, both governmental and private, have literally mushroomed in the last three years.

73) The enactment of R. A. No. 3469 was propitious for it made possible the construction of badly needed Multi-Storey Tenement Buildings with an initial appropriation of P15 million. The direct result is that the government is now in the final stage of completing the construction of for multi-storey projects which are located at Vitas, Tondo, Manila; at Punta, Sta. Ana, Manila; at the NDC Compound, Sta. Mesa, Manila; and at Fort Bonifacio, Makati, Rizal.

74) Furthermore, we are implementing R.A. No. 3802 which grants tenants in all the PHHC's housing projects the right to purchase their homes at cost thereby affording them the opportunity to become homeowners instead of mere lessees. As of last December, 617 families have been able to avail of this right. In furtherance of our housing program, the PHHC has sold, to date, 1,542 lots to prospective home builders.

75) In addition, this Corporation is in the process of constructing six additional housing and sub-division projects in various provinces and has completed Housing Needs and Demand Surveys in various cities and towns in preparation for future activity.

Labor

76) The Department of Labor in its role as conciliator has met with significant success. During the past three years, of a total of 1,572 cases which were terminated, 808 had the department's active participation. Furthermore, it participated in most of the 918 bargaining agreements registered during the period.

77) The past three years have witnessed a steady growth in unionism as proved by the 1,309 applications for registration of which 1,019 were issued corresponding certificates of registration.

78) The Government is now embarked in implementing the new dimensions lent to our labor laws by the Land Reform program which extends the benefits of labor laws hitherto enjoyed predominantly by non-agricultural workers to agricultural workers as well. No less than 10,000 workers stand to benefit from Minimum Wage Order No. 1 which requires workers in the sugar industry to be paid P3.50 a day instead of P2.50.

Employment

Adding substance and meaning to the overall improvement in our economy is the gratifying knowledge that more Filipinos were able to find gainful employment over the last three years.

79) From May, 1961, to May, 1964, there was a net increase of 1,178,000 in our employed labor force. During the same period, however, the labor force increased by 1,020,000. Thus, the unemployed to labor force ration dropped by 2.2 per cent from 8.6 per cent to 6.4 per cent. This is unmistakable proof that we have succeeded in arresting and even reversing our unemployment trend.

Minimum Wage

As the productive capacity of the economy grows, we should increase the earning power of labor. As a member of Congress, it was my privilege to be the main author and sponsor of the present Minimum Wage Law which fixes a minimum wage of P4.00 a day for workers. In the previous session, we recommended the raising of the minimum laborers' wage to P6.00 a day or to such rate as Congress may deem just to both the laborer and the employer.

Social Welfare Administration

Child and family welfare continues to be the focus of the Social Welfare Administration since its ultimate aim is to achieve a higher state of well-being for individuals, families and communities. Implicit in this aim, however, is assistance to the destitute, the sick, the handicapped, the old, the homeless and the devastated.

The Social Welfare Administration has performed excellently during the past three years in spite of fund limitations that affect all government offices and in spite of the ever growing demands for its services.

80) When typhoon "Lucille" struck in 1962, the SWA was the agency through which the sum of P14 million appropriated by R.A. No. 3467 was channeled to aid around 45,000 families, who were stricken victims of the typhoon.

81) Moreover, the SWA has in recent years given material aid to the old, the handicapped, the sick and the needy, at a yearly average of some 70,000 cases. It has given rehabilitative and cash aid to 730,483 disaster victims and victims of dissident operations and other destitute families.

82) Transportation aid was allowed to over 6,000 persons while financial assistance was given to over 2,000 self-help projects.

83) It also rendered medical services to about 3,000 destitute patients a year and helped resettle over 1,300 families.

84) Over the above this, the SWA handled an average 42,893 cases of families facing adjustment problems.

The task of screening the applicants for tenement housing called for by R.A. No. 3469 has likewise become this Agency's responsibility.

National Integration

Through the National Integration Commission, the Government continued its efforts aimed at improving the living conditions of cultural minority groups numbering about 2.5 million people.

85) During the past three years, gratifying improvements were made among the farm settlements where a total of 6,958 hectares were cultivated. In addition, 35,286 hectares were surveyed. We are glad to report that 5,452 families have been settled.

86) The National Integration Commission built 33 kilometers of feeder and dirt roads and provided irrigation for 163 hectares in several reservations.

87) The NIC has devoted a large measure of its resources and energies to afford education to many of its wards. Over the last three years, it awarded 2,780 scholarships. The Commission has supplemented this by erecting schools in settlements and the releasing funds to provinces with large cultural minorities.

88) The Commission has released P33,405 for the construction of 12 Health Centers within the settlements which are staffed by Bureau of Health personnel.

COMMODITY ASSISTANCE PROGRAM

RCA and NAMARCO

In line with our basic program of assuring adequate supply of basic commodities at prices within the reach of the common man, we have intensified the operations of the RCA and the NAMARCO of providing rice and other basic foodstuff at all times at reasonable and stabilized prices.

The NEC certified to an impending rice shortage for this year in the magnitude of 595,400 metric tons due partly to a series of unusually destructive typhoons which ravaged our crops. We are determined to find a solution to the problem of food shortage. We should not allow our people to go hungry. We trust that both houses of Congress share this sentiment.

89) Primarily, we encourage domestic rice production by implementing a price support program through the RCA. This agency can claim the singular achievement of having raised the price of palay from as low as P8.00 per cavan to as high as P17.00 per cavan.

Nevertheless, the floor price for the rice support program of P12.50 is now inadequate and should be increased.

The palay growers being assured an adequate profit and incentive by the Government's price support policy, it is our duty to assure the consumers rice and corn at all times at prices within their reach. Towards this end, the policy of government importation of rice until self-sufficiency is attained in order to meet any shortage in the domestic supply should be maintained. The authority of the Government to import rice to bolster the local supply in order to provide enough rice to the people at reasonable prices, not only in emergencies, should be restored. We should assure to the consumers, through a complement of local and foreign supply, at all times rice of at least the ordinary macan variety at not more than P1.00 a ganta.

The RCA's other equally important effect is that it has been able to stabilize the price of rice instead of leaving both consumers and small producers at the mercy of middlemen and retailers.

NAMARCO

90) The NAMARCO in line with its charter objectives imported and distributed during the last three years some \$84 million worth of prime commodities such as canned milk, canned fish and canned meat, all of which were sold at or below landed cost to consumers throughout the country.

91) At the same time, its distribution network was augmented with the appointment of over 14 thousand additional retail outlets. Through this wide marketing network, it was able to sell also locally manufactured canned food products in line with its program of assistance to domestic industries.

P.V.T.A.

92) Since the start of our Administration, we have vigorously implemented R. A. 1194 which calls for government subsidy to stabilize the prices of tobacco and thus afford increased income to our tobacco farmers. We have done this despite the resulting heavy drain on government finances.

93) We have also approved R.A. 4155 which improves the financing mechanism in support of the tobacco subsidy. Whereas before, the PVTA had to wait for releases from the Central Bank which resulted in prolonged delays in the payment of purchased and allocates about P80 million annually for this purpose. It likewise facilitates the gradual liquidation of PVTA's enormous indebtedness with the Central Bank.

NEED FOR EFFICIENCY AND MORALITY IN GOVERNMENT

The Government is called upon to provide the major impetus to our social and economic growth.

For this reason we have striven to transform this Government into a flexible instrument of service; one that would be sensitive to the rising expectations of our people for a better life. This will explain our preoccupation with permeating all government offices and instilling them with integrity and efficiency.

Administrative Efficiency

We have pursued the objective of optimum efficiency in all government offices. Systems and methods were further refined and simplified and action guidelines laid down to minimize arbitrariness—a major cause of inefficiency and graft.

94) Procurement and property disposal procedures were standardized and offices were more accessible to the public. The management system over Government property and records was revised. Due to all this effort we can claim that the present government machinery is in its most efficient and upright state since the Second World War; and we shall strive to improve it even further.

95) An unheralded but typical example of our efforts for better public service is the “Operation Barrio Titulo” which was designed to deliver land titles otherwise lying idle in the Office of the Registers of Deeds to the very doorsteps of their rightful owners. From January 1, 1962 to September 15, 1964, no less than 19,519 titles have been distributed to farmers.

96) The Civil Service Commission has been a major factor in this drive for greater efficiency. It has been instrumental in the dismissal of 177 government officials and employees and meting out lesser penalties to 477 others. Appointments made and approved in violation of Civil Service Laws and Rules were revoked. Performance ratings were improved and administrative discipline again became a reality to all government personnel.

Decentralization

Also important to the success of the Nation's socio-economic program is the need for administrative reforms that would bring about more effective coordination among government offices and agencies commonly seeking the same objectives. Such administrative reforms could include decentralization of public powers to stimulate more participation in government by elective officials at the levels most proximate to the people.

Anti-graft Campaign

Realizing that efficiency and graft cannot coexist, the Government has intensified its exertions against erring officials and employees.

97) Satisfied that corruption by high officials has been reasonably arrested, we have pursued our moral regeneration program to lower levels of government. Whereas the Civil Service Commission saw to it that only qualified men were assigned and retained in the service, the Presidential Anti-Graft Committee was assigned the task of checking, preventing and investigating government personnel and offices against charges of inefficiency and corruption. The Committee has caused the prosecution of 121 criminal and administrative cases. It has submitted 32 cases to the Civil Service Commission involving violations by public officials and employees of the Civil Service rules and regulations and performed investigations of anomalies and the evaluation of some 278 anti-graft cases.

However, strict control is held over this committee in order to avoid trespass against individual rights.

Anti-Smuggling

98) The Armed Forces has assumed a major role in the effort to curb smuggling. Over P51 million worth of smuggled goods have been apprehended and confiscated.

Smuggling, in its varied forms, constitutes a grave economic and moral threat to the nation. The solution of this problem requires the cooperation of all the people by not creating the demand for smuggled goods and in assisting in the apprehension of smugglers.

Accordingly, we have strongly recommended the creation of an Anti-Smuggling Office which would be able to coordinate an effective campaign against smuggling. Although we have gained headway in our campaign against organized smuggling, much has still to be accomplished in the way of eliminating this cancer which continues to corrode our economic and moral fiber.

NATIONAL SECURITY AND LAW-ENFORCEMENT

Our program for national security calls for a minimum but capable force which can cope with any internal exigency and ready to respond to external challenges and commitments.

99) The crippling blow to the Huk movement consisting of the captivity of Jesus Lava, was just a culmination of a three-year drive which netted a total of 699 Kuks and criminals either killed, wounded or captured in addition to the 1,632 others which saw fit to surrender. In the process, 4,472 firearms were rounded up.

100) Considerable headway was also made in combating cattle theft. Six hundred ninety-six rustlers were arrested and 1,544 animals recovered some 81 per cent of the total stolen.

101) Equally successful was the campaign against illegal fishing which resulted in the arrest of 2,675 persons and the confiscation of 82,149 blasting caps and 16,314 kilos of explosives.

Police Reforms

The dual function of maintaining the nation's internal security and the promotion of peace and order has become the major responsibility of the nation's armed forces. However, we feel that in securing peace and order, the greater responsibility should be shared by the country's police forces.

Consequently, we should strengthen and improve our local police forces all over the country. We have recommended to Congress the enactment of a Police Reforms Law to ensure the fitness of those who are pledged to promote peace and order. We shall be happy to cooperate with Congress in the solution of this all important problem.

In this connection, we wish to commend the assistance being given by our civic-spirited citizens in combating crime, particularly the organization and active efforts of the Crusade Against Crime by Joaquin P. Roces.

NATIONAL PROSPECTS UNDER THE SOCIO-ECONOMIC PROGRAM

We have confined ourselves to statements of facts manifest in the progress of the Socio-Economic program for national development.

It may be recalled that when the Socio-Economic Program was presented to the Nation three years ago our overall target was an increase in gross domestic product at a compound rate of 5.5 per cent, as the unavoidable hesitancy that accompanied the transition to a decontrolled economy left its mark.

102) However, we are pleased to report to the Nation that for the second year of the Program, FY 1964, gross domestic product increased by 5.7 per cent, which is much closer to its target rate of 5.8 per cent; thus, the gap between achievement and aspiration is growing smaller.

The most immediate cogency and importance of the Socio-Economic Program of this Nation has been in being able to bring about a sense of prosperity which the tangible performance now promises to the Filipino people. The people are aware that what has been done so far are of immense implications for the state of economic and social institutions in the country. We feel that this sense of expectation has infused a new vigor to the Filipino people urging them to new heights of aspiration, giving them an assured basis for the steady vision of the good life and thus liberating the Nation from the lethargy that had held it as a consequence of the past colonial experience. A new condition of existence always proposes a new outlook and urges, in turn, greater strivings towards the ideals of increased social participation and responsibility.

Largely, this has been the moral implication of the Socio-Economic Program of the country to fight poverty through increased production. But in the greater political sense, it has also promoted an intense and responsible nationalism—a nationalism premised on the acceptance that while the Government must do all it can to enhance the general welfare, the state of the national society is a compendium of complex responsibilities in which everyone is to participate and exercise his right.

We believe that the Agricultural Reform Code has enhanced the faith of the Filipino masses in the Government, and by affirming the rights of the people in the face of an institution and social relationship established by the purposes of colonial regimes, the Agricultural Reform Code has provided the incentive for lawful assertions of individual rights, thus making it possible for the national society to conduct its various activities under the auspices of peace, freedom and security.

INTERNATIONAL RELATIONS

In foreign affairs, our conduct has been characterized by stronger assertion and greater involvement in the schemes of the Afro-Asian community in general and in Southeast Asia in particular. Our moral and political role has been accepted in Southeast Asia, and we have found identity with the Afro-Asian Nations in aspiration and ideals.

Our emphatic belief in the justice of our cause pressed us to intensify the Philippine claim over Sabah.

103) Our claim has been bolstered by the written support of Indonesia and the formal commitment of Malaysia to settle it by peaceful means, particularly through the World Court.

We are hopeful that the other Governments affected by our claim over Sabah, being like us adherents to the rule of law, shall pay proper heed to our just position to settle the matter through the World Court.

Let it be stated in this connection, however, that we did not allow this issue over Sabah to keep our relations with Malaysia in a state of strain. Mutual steps have been taken by the Philippine and Malaysian governments to improve relationship in a common desire to minimize possible areas of conflict in this already troubled region.

R.P.-U.S. Relationships

On the whole, the conduct of our relations with the United States of America has been carried out in the traditional spirit of friendship as befit two nations which have close historical ties and share common ideals.

This has been eloquently confirmed by the results of my state visit to that Nation last October. On this occasion, the Presidents of both the United States and the Philippines held fruitful discussion over mutual problems.

104) We also took this opportunity to conclude a Tax Treaty for the Avoidance of Double Taxation and the prevention of Tax Evasion.

105) In sympathy with our rice shortage, President Johnson donated on behalf of his Government, 25,000 tons of grain. He further pledged to make available 100,000 tons of rice to be purchased under the United States' Pacific Law 480.

106) Let me also recall that it was under our administration that the late President John F. Kennedy signed into law U. S. Public Law 88-94 which amended the Philippine War Damage Act of 1962 and authorized payments of the balance of war damage reparations amounting to \$73 million to some 88,000 claimants.

107) We would also like to point out the successful conclusion, early in 1964, of the Bilateral Cotton-Textile Agreement between the Philippines and the United States which resulted in increasing the quota of our exports of processed and manufactured textile to the United States. These and many other manifestations of effective cooperation attest to the existing firm basis of our relationship with the United States.

However, it has been almost two decades since we attained independent nationhood and world and national circumstances have changed considerably. The time has been reached therefore for treaties and relationships with the United States, which had been forged under conditions and events which are no longer present or intact, or whose compelling significance has greatly diminished in the face of current developments, to be scrutinized and updated in the light of present requirements for common security and benefit.

International Trade Promotion

The advent of decontrol stimulated a considerable growth in our exports and thereby necessitated the expanding of foreign markets for our products. To this end, we have intensified trade promotion efforts.

108) The Philippines signed an Executive Trade Agreement with Indonesia and concluded trade treaty negotiations with West Germany and Australia. A memorandum of Understanding with India was signed and discussions were held with the Korean Government to further improve the trade and economic relations between the two countries.

UNCTAD

Conscious of our problems as a developing nation, the Philippines participated actively in the United States Trade and Development Conference in Geneva last year.

109) during the conference, the Philippines was honored by the election of our head of delegation, the Secretary of Commerce and Industry, as one of the Vice-Presidents of the conference and who presided over four plenary sessions. Moreover, the Philippines was voted a seat to the World Trade and Development Board created to implement the resolution adopted by the conference.

ECAFE

In line with our policy to accelerate intraregional trade among Asian countries, Manila was made the site of the first ECAFE Ministerial Conference in December 1963 which adopted resolutions of far-reaching significance because they assured closer economic cooperation among the countries in the region.

United Nations

The grinding poverty of many nations and the terrifying progress of weapons development have given this world two crucial issues—the alleviation of misery of developing countries and the maintenance of peace.

In both issues, we believe that the United Nations and its agencies can and does play a paramount role. Because of this we have been and will persist in supporting and encouraging the activities of the United Nations and its agencies.

NEED FOR CONGRESSIONAL SUPPORT

Under our constitutional system, the Executive and the Legislative share the common responsibility for administering the affairs of the Nation as well as providing the guidance, service and leadership required by our democratic way of life.

In view of this constitutional scheme of collective responsibility, we submitted to Congress at the beginning of our term a blueprint for national development known as the Five-Year Integrated Socio-Economic Development Program. By this program, we addressed ourselves specifically to the three-fold objective of accelerating the development of our economy, improving the living conditions of our people, and providing a strong basis of dynamic growth.

To bring about joint Legislative-Executive action for the implementation of this program of development, we recommended, during the 1963 session, the enactment of thirty-seven priority measures, including those affecting revenue-raising, and other economic stabilization and developmental measures. Only four of these measures were passed during the regular session of that year.

The enactment of the Land Reform Code required the calling of a special session.

When this Congress resumed its sessions in 1964, the Executive again recommended enactment of the measures which failed to pass during the previous session, including several other bills relevant to the achievement of our socio-economic goals. Of these forty odd bills, only seven became laws which were bills of peripheral nature not designed to solve our basic problems. The more important and urgent bills were not acted upon.

It cannot be gainsaid that we have, time and again, pointed to the pressing necessity for enacting the major measures which could have provided necessary support to our overall socio-economic program.

The non-approval of these measures has resulted in denying to our country and people the funds necessary not only for the various infrastructure projects such as highways, airports, harbors, irrigation and power system, but also the essential elemental services of health, education, food and shelter. With the accelerated demands of the people for governmental services, coupled with our rapidly expanding population, it is obvious that more funds should be made available to meet the expectations of our people.

The lack of revenues has resulted in the deferment of essential and important public services. The public school building program, the development program for higher education particularly the University of the Philippines, the training and mobilization of reserves for defense, as well as the development of the dairy industry are among those awaiting implementation. In the field of infrastructure, the construction of vital highways, airports, harbors, waterworks and irrigation systems, and rural electrification projects suffer delay. The salary adjustment of government employees, the pecuniary benefits due to veterans, widows and orphans, the payment of teachers' salaries and general financing and nationalized schools, the law enforcement and peace and order operations of the Constabulary, and the development of Mindanao, among others, have yet to be fully implemented.

Not only has the revenue inadequacy impaired essential and important services and denied needed support to the public role in our economic program but also has withheld credit facilities available in government financing institutions from the private sector.

This need for increased revenue was appreciated by previous administrations and Congresses. A review of revenue measures enacted from 1950 to 1961 or during the incumbency of President Quirino, President Magsaysay and President Garcia graphically show that these regimes were beneficiaries of a liberal and realistic revenue policy. The margin fee as well as upward adjustment in personal and corporate income taxes, specific taxes on liquor and cigarettes, sales taxes on luxury and semi-luxury items, fixed taxes on businesses, occupations and professions contributed immensely to the operating and developmental funds of these administrations. On the other hand, since our incumbency in 1962, not a single revenue-raising measure, except possibly the revision of the Basic Industries Act and the imposition of a minor tax on logs, was enacted by Congress. In contrast, various tax exemption measures were passed which further depleted the already limited sources of funds available. The socio-economic programming has been denied the financial support envisioned by its planners and architects.

Within our limited powers, but acutely responsive to the hopes and aspirations of our people, we proceeded with the implementation of the socio-economic program. But ultimate success cannot be achieved by Presidential action alone; complementary legislative action is indispensable. Such indeed is the mandate of our Constitution. We submit it to be the inescapable duty of Congress to participate in a dynamic program of nation-building and public service through the enactment of legislation which would insure our continuing progress and the people's welfare.

The Filipino People and Philippine Politics

In the coming months, the Nation is apprehensive that politics will occupy priority in the plans and activities of our national leaders. This situation is indeed far from ideal—certainly not the proper approach to the needs and exigencies of the times.

In a sense, it is perhaps proper that the Filipino people should feel a stake in the issues of our politics. These are times of challenges. We have seen the emergence of an Asian country, Red China, into an atomic power with all its ominous consequences. Within the context of the national society, we have to make a choice, a choice of which the odds should indeed be foreknown; for if ours be to make a decision between economic progress and the achievement of the good life for our people on one hand and economic stagnancy and the perpetuation of our traditional social ills in the status quo on the other, then the preference needs no further debate: our politics must affirm the interests and welfare of the Nation.

We can with sincerity say that the decisions of the Administration have been solely guided by considerations of public welfare. We have not hesitated to cross party lines in the appointment of individuals to vital offices when it was deemed that the general public should profit from the merits of these individuals. In conformity with the traditional features of a democratic society, we have necessarily to stand on the platform of a definite political party but we have also pledged the commitment of this party not to a group or an institution but to the well-being of the whole Filipino Nation.

We appeal, therefore, to the patriotism of all our leaders and people to act in concert and cooperation, to continue the tasks that have already been done in the interest of all and to join the Government in the implementation of those projects and programs necessary to national growth and development. Political parties, if they are to be

representative of the general will and interests, should not allow themselves to be divided on intentions that seek the betterment of human life in the national society. Whatever disagreements we have, on the interpretation of motives and the necessary means for the attainment of the public good, such disagreement nevertheless must not conceal the facts of achievement nor endeavor to obliterate the tangible work that has already been achieved.

CONCLUSION AND RECOMMENDATIONS

The national progresses which we have endeavored to present are the cumulative results of the program we outlined in this platform three years ago. As we enter a new year, we have a justified feeling that even as there are tasks to be continued, a perceptible degree of change and reform has already been achieved within the national society.

Of course, there are the recurring problems and the programs yet to be started which are aimed at enhancing the national life and elevating the level of general activities in our society. But it should be undeniable that we have already realized a stage of development and progress, and if we say that reforms and continued dedication are still required, it merely indicates that there is only the logical trend to be pursued but that the general premise of growth and advancement has successfully been established.

The burden of responsibility, however, continues, and in this, Congress must share shouldering the brunt. Some of the vital reforms needed and which we have indicated in this address would require legislative approval of necessary measures. We fervently hope that Congress will provide the necessary support and collaboration. For even as the Constitution has wisely provided for a system of checks and balances, it surely did not intend that the legislative and executive branches of the government be mainly concerned with checking and balancing each other to the prejudice of the national welfare.

The Nation has already been set into an impetus towards desired goals. We have established the basis and condition for consistent action and now, more than ever, the Filipino people—the masses that had risked their lives for a conviction and so that a nation might be established—now more than ever, they anticipate that their leaders should not betray their trust, but that, instead, should work in cooperation to further what has been done and to pursue the logic of the performance that has been accomplished in the past three years.

Two years ago, we had summed up the government accomplishments of a year by saying that what matters is that we know that we are moving; that the status quo, in response to what have been instituted, is changing and is transforming the relationships within the national society into a condition vibrant to progress and development.

It is for this reason that we have appealed for collaborative endeavors and joint responsibilities. Let us, once again, manifest a solid nationalism and present our position as a Nation before the world with the full powers that come from having a national purpose and integrity.

We are a young and developing democracy in a region in which the free way of life to which we aspire as the means to our welfare is not indigenous. As such, we continue to grow as a Nation.

Our people are now matured enough to realize what is good for them and their children, which includes a reasonable measure of continued self-denial and sacrifice when necessary to promote the success of the Nation's fight against poverty. They have become aware that progress cannot be achieved by conflict but by cooperation among their leaders whom they have invested with their sovereign mandate. If we are to heed the sentiment of our people and become faithful to their welfare, we must endeavor, whatever our parties may be, to work constructively and harmoniously together not to promote our personal interests, political or otherwise, but to advance the progress of our country and the prosperity, well-being and happiness of the greatest number of our people.

Indeed, the critical need of our Nation at this juncture of our history when we are on the crossroad or threshold of vigorous economic growth is national solidarity and unity. Now more confident than ever in handling the country's varied and complex problems because of our experience in the actual conduct of the Presidency, we shall endeavor to achieve to the utmost possible a maximum of national solidarity and cooperative endeavor with a minimum of partisan differences as the most effective way of serving the needs of our people.

PROPOSED MEASURES

In view of the foregoing, we ask Congress to consider the enactment of the following measures in this session:

- 1) To create incentives for investments and specifically clarify the investment climate in the Philippines and thereby delineate priority areas for both domestic and foreign investment activities in our country.
- 2) To amend R. A. No. 1937, the Tariff and Customs Code, providing for authority of the President to modify tariff duties in order to extend and expand the authority in duration and scope granted to the President under Sec. 402 of the Tariff and Customs Code.
- 3) To amend R. A. No. 1000, entitled “An Act Authorizing the President of the Philippines to issue Bonds to Finance Public Works and Projects for Economic Development, Authorized by Law, and for other purposes” in order to expand the Government’s borrowing authority to enable it to support more fully the Government’s investment program.
- 4) To amend R. A. No. 16 entitled “An Act authorizing the President of the Philippines to obtain such Loans or incur such Indebtedness with the Government of the United States, etc.” in order to expand the Government’s authority to procure funds for economic development.
- 5) To make credit available to investors within the framework of a stable currency and specifically to amend R. A. No. 337, known as the General Banking Act, in order to expand credit facilities by granting greater flexibility to the operations of commercial banks and enable them more effectively to support their functions of extending short-term loans.
- 6) To finance specific public services, particularly:
 - a. A bill to formulate a concrete highway program and providing revenues therefore by increasing the gasoline and oil tax rates.
 - b. A bill to provide a school building program and providing funds therefore by revising the individual income tax in the upper brackets.
 - c. A bill to promote national defense and security and providing revenues therefore by revising the corporate income tax in the upper brackets.
 - d. A bill to promote agricultural production and productivity and providing revenues therefore by prescribing an impost on the main traditional exports which have received most the immediate benefits from the Government’s decontrol policies.
- 7) To improve through statutory administrative reforms the intensified tax collection drive of the Bureau of Internal Revenue and Bureau of Customs.
- 8) To create an Anti-Smuggling Office.
- 9) To create a Rice and Corn Authority in order to accelerate self-sufficiency, to raise the floor rice for the procurement of palay from domestic growers and to ensure at all times the availability of rice and corn to the consumers at prices within their reach.
- 10) To assure against a further rise of consumer prices in a manner consistent with the free enterprise economy.

- 11) To provide reforms this will strengthen the local police forces in combating crime.
- 12) To provide ready employment opportunities while stable jobs are being created under the economic program.
- 13) To raise the minimum wage from P4.00 to P6.00 or to such level as Congress may deem just and fair to the laborer and the employer.
- 14) To establish a National Housing Authority to implement a nationwide housing program for our slum and hut dwellers.
- 15) To establish a Moral Commission.
- 16) To decentralized the public powers in order to enlarge the participation in government of local elective officials most proximate to the people. Premised on a provision for supporting revenues, the salaries of municipal mayors should be raised and reasonable compensation or allowance provided for barrio captains.
- 17) To reduce Congressional allowances to a level that would be satisfactory to the people.

With the expectation and hope that we have expressed, we face the tasks again with renewed confidence and determination, strengthened and revitalized by our abiding faith in God Almighty with Whose divine inspiration our efforts cannot be in vain.

PRESS STATEMENTS

Statement: President Macapagal on Congressional Dictatorship

Statement of President Diosdado Macapagal: On Congressional Dictatorship

[Issued on January 5, 1962]

ON CONGRESSIONAL DICTATORSHIP

FROM THE VERY START, certain leaders of Congress have advocated the imposition of congressional dictatorship over the Executive. I cannot countenance this dictatorship without forsaking the well-being of the people who gave me a clear mandate to solve their economic problems and bring about a better life for all.

Those advocating congressional dictatorship have taken the position that it is Congress alone that determines policy and all that the new President has to do is to merely carry out its wishes. This position is not supported by our constitutional system.

The danger in the theory of congressional dictatorship over the Executive lies in that it sustains the untenable proposition that the policies of a defeated President and that of his party should prevail over those of the winning President and his party. Under this theory, the defeated President will continue with his program and the new President shall be compelled to carry out that same program.

The obvious purpose of certain Congress leaders and members is to make my Administration fail. Even before I was proclaimed, they publicly declared that their objective was to win in the 1963 and 1965 elections. Without provocation, they struck against me in order to rally their partisans to their leadership which was, and is, being challenged.

Indeed, this is the difference in attitude between some NP Congress leaders and members and ourselves: it is their aim to win the elections in 1963 and 1965 regardless of what happens to the people while it is our aim to serve the people regardless of what happens to us, politically, in 1963 and 1965.

One fact is clear and undeniable. By their action in the last polls, our people, apart from desiring the eradication of corruption, wanted our economic problems solved so that there will be sufficient staple foods at prices within their reach, so that there will be more employment, and so that the economy will become healthier and more vigorous so as to provide opportunities for a better life to all our people.

As President, I am prepared to assume the responsibility for solving these problems of our people during my term of office. To be able to discharge this responsibility the support of Congress is necessary.

If certain leaders and members of Congress, however, following the pattern of sabotage set by a bitter and defeated President in making his now notorious midnight appointments, will continue to play politics instead of constructively approaching with me the solution of our economic problems, our people will know on whom to pin the responsibility for the resultant hardships and difficulties.

On my part, I shall not cease in my efforts to spare our people from these hardships and difficulties. I believe that our people can be saved from these hardships if Congress and the Executive could tackle jointly the varied economic problems of the Nation.

Should certain Congress leaders and members persist in playing politics and withhold their collaboration, I will go on laboring and fighting within the constitutional prerogatives of my office so that I can fulfill our people's desire for an improved standard of living through the solution of the complex socioeconomic problems of the country.

With an eye to 1963 and 1965, the proponents of congressional dictatorship may continue to sow confusion in the country. I wish to assure the business sector and the general public, however, that there will be no confusion in the economic program of the Administration which will be based on free and private enterprise. Irrespective of confusion and turmoil elsewhere, the prerogatives of the Presidency, which appear to be adequate for the purpose, will sustain this economic program throughout our tenure.

Statement on January 7, 1962:

THE INSISTENCE of the advocates of congressional dictatorship over the Executive that it is only Congress that should establish policies and the President should merely carry out their policies on the ground that the people elected a Nacionalista majority in the House of Representatives is untenable and unacceptable.

It is a fact that voters use different yardsticks in voting for national candidates like President, Vice-President and senators and in voting for local candidates such as congressmen and others.

In voting for national candidates, the electorate do so with an eye to national policies and as a judgment on the Administration, its actuations and its program of government.

In voting for congressmen, the voters are primarily motivated not by national policies but by the personality, record and local problems related to congressional candidates, including pork barrel allotments.

With due respect to the proponents of congressional dictatorship, it is my conviction that despite the election of Nacionalista majority in the lower house, the election of Liberal President, Vice-President and six of the eight Liberal senatorial bets is a clear mandate from the people to place in the new Administration the determination of the national policies and program of action, particularly on issues brought before the people, including the reduction of corruption, lowering the price of rice and corn, more employment, and the proper operation of the national economy.

To bring about the manifest will of our people, I have repeatedly expressed the hope, bolstered by positive acts of good faith evidenced in the bipartisan composition of my cabinet, that the leaders of both parties in both branches of the Government shall set aside rabid partisanship and effect a smooth working agreement between the Executive and Congress so that together we shall bring into fruition the longings of our people for a better life.

On my part, I shall exhaust every effort, energy and resourcefulness in order to bring about this mutual concert of action between Congress and the Executive before taking other legitimate courses of action in order not to frustrate the desire and will of our people for a change for the better in their lives.

Source: Presidential Museum and Library

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Statement: President Macapagal before the Business Leaders at a Merienda Conference

Statement of President Diosdado Macapagal:
Before Business Leaders at a Merienda Conference

[Delivered in Malacañang, January 9, 1962]

ELIMINATE THE “TONG SYSTEM”

IT IS THE CONVICTION of our Administration that the main problem of the Nation is the sound operation of the national economy, under a setting of public morality, to place the country on the road to prosperity for the benefit of all our people.

The Administration will concentrate on this problem. This means a close cooperative effort especially with the business community and its leaders who will be called upon to play a larger role in the national effort than in the past.

I have, therefore, invited you to inform you of this role and to seek your full support for the Administration's program which is designed for the welfare of our people and your counsel as we move toward our goals.

Our socio-economic program will be presented to Congress for support when our law-making body opens this month. Without expounding on its details, this program will be based on free and private enterprise. Since my assumption of office last December 30, studies and preparations have been undertaken continuously by us toward the formulation and implementation of this program.

As part of the preparations, I have dispatched a technical mission to Washington this afternoon for consultations with the International Monetary Fund and other entities on matters related to the Administration's socio-economic program.

Partisan squabbles in Congress will not deter the Administration from launching and carrying out its five-year socio-economic program. I shall continue to hope for the support and cooperation of Congress for our economic program. To remove any uncertainty in the mind of the public in general and the business community in particular, I would like to make it clear that should the Nacionalista leaders in Congress not cooperate with our program because of partisan considerations, the Administration will go ahead with its program, supported by the presidential prerogatives which appear to be adequate for the purposes, because we cannot sacrifice to partisan selfishness the health of the national economy and the well-being of our people.

In order to establish the moral atmosphere under which the Administration will carry out its economic program, I ask your cooperation in the complete elimination of what is generally known as the “tong system.”

It is inherent in government that the Administration grants rights, permits, licenses, allocations, privileges and other services to the citizens. In doing so, it is unavoidable that some citizens are thereby benefited. Indeed, it is inescapable that whenever the government acts, the citizens or a good number of them are benefited.

Our Administration will continue to grant rights, permits, licenses, allocations, privileges and other services to all citizens but with one difference and qualification—that we will not tolerate the payment of money or extra consideration under the table for the receipt of such right or privilege. Such rights, privileges and services will be given to the businessmen and to the general public purely as a public service.

I want to announce that any public official or employee who receives money in consideration for the grant of any right, privilege, or service to a citizen will be fired and prosecuted in accordance with law. Any intervening third person who receives money in connection with the grant of such rights, privileges and services will be prosecuted likewise to the full extent of the law.

I must also candidly announce that any businessman or citizen receiving such right, privilege or service who pays money or extra consideration for the receipt thereof will thereafter be barred from receiving similar privileges from the Administration and he will be proceeded against according to law.

Under this Administration, you do not have to pay any extra consideration to obtain what is due to you. If any person represents himself as acting for any official or employee to facilitate what you are after and asks for extra consideration or other inducement, that person is an impostor whom I would ask you to identify to the department head concerned or to me so that we can have him arrested and prosecuted.

If your papers or what you need in your business ventures are being delayed or you are in any way being harassed, you can come to me personally and I will see to it that the matter is expedited and that you obtain justice immediately.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Press Statement: President Macapagal on CPG's Electoral Protest

Press Statement of President Diosdado Macapagal: On CPG'S Electoral Protest

[Issued on January 13, 1962]

THE AVERAGE CITIZEN knows that the electoral protest filed by former President Garcia is not only unmeritorious but also futile. In spite of its obvious lack of merit and futility, it was filed by a defeated and bitter President as part of a pattern of harassment to undermine my Administration regardless of the welfare of our people.

This pattern of harassment includes:

- 1) The non-concession of Mr. Garcia, despite the clear and obvious expression of the people's will, in order to prevent the normal easing of political tension after the last presidential elections;
- 2) The "declaration of war" by certain NP Congress leaders against the Administration, particularly the Executive branch of the government headed by myself;
- 3) The midnight appointments made by Mr. Garcia which were clearly intended to sabotage the implementation of my socio-economic program for the benefit of our people;
- 4) The order issued by certain NP leaders to presidential appointees of the last Administration not to vacate their offices; and
- 5) Irresponsible talks emanating from certain quarters in Congress on my possible impeachment due to my issuance of Administrative Order No. 2 recalling all the midnight appointments of Mr. Garcia.

Despite their harassments, I have faith that with God's grace and the support of the people themselves, as well as of all citizens of good will, my Administration will succeed in its inflexible objective of healing the Nation's economic ills and leading the country to prosperity, for the benefit of all.

In a way, it is providential that former President Garcia filed his protest because it gives me an opportunity to expose the fact that there was gross cheating against me in Bohol and other areas controlled by rabid Garcia partisans.

Should a nationwide recount be made, it is estimated that my majority will increase by no less than 200,000 votes and it is highly probable that my margin of victory will increase from 651,874 votes to approximately 900,000 votes. In such an eventuality, it will be in order for the filing of a counter-protest because it will then be clearly established that I was the one cheated by the then party in power.

I appeal to all good citizens not to be distracted by this latest act of harassment and by other acts of sabotage. Let us leave this superficial case to the Presidential Electoral Tribunal and to the lawyers to dispose of. Our mission of solving the Nation's economic problems must relentlessly proceed unmindful of distractions. This is our inescapable and sworn duty to our people.

Source: Presidential Museum and Library

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Opening Statement: President Macapagal at a Press Conference held in Malacañang

Opening Statement of President Diosdado Macapagal:

At a press conference held in Malacañang

[Released on March 2, 1962]

GOALS AND COMMITMENTS

IN THE FACE of increased political wranglings and the attendant risk of a distorted perspective, I wish to place the focus on what our Administration has committed itself to, and should be expected, to do as follows:

1. On graft and corruption, we shall fight this relentlessly and without compromise until it is eradicated into insignificant degree.
2. On the matter of prices of commodities, we shall immediately, as we have already done, prevent a rise in the prices of rice and corn.
3. Regarding the prices of other commodities, we shall seek to keep steady the prices of prime items like milk and imported canned fish. As to other commodities, we expect the prices to level off and become steady at a later date in the course of the implementation of the Administration's socio-economic program.
4. On the matter of employment, we shall make considerably more jobs available beginning July, 1962 when the first national budget of the Liberal Administration starts to operate. Before then, it should be understandable that employment cannot be eased since the Administration shall be operating under the stringent financial situation saddled with a large deficit which has been left by the previous administration.
5. Regarding the enjoyment of a better life or what has been popularized as "happy days are here again," this shall come about during the later part of the Administration when the five-year socio-economic program gets in full swing and produces the results anticipated. To set this socio-economic program in motion, we instituted decontrol and submitted the five-year program to Congress for a cooperative effort in this gigantic enterprise for our people.

The foregoing is a clear statement of our commitments and goals. Any criticism of deficiency in our efforts and its results which is not in conformity with the above statement of goals, or which is premature in point of time, is unjustified and suspect as aimed at political harassment.

I must emphasize that for the final attainment of our goals, inconveniences during a period of transition are to be expected. This is particularly true of decontrol. The abolition of decontrols is like a surgical operation on the body. The operation will cause pain, rise of temperature and discomfort for a certain period. After these temporary adverse reactions, the body will regain its health. Similarly, after the temporary repercussions of decontrol, the health of the economy will be regained and will lead to economic expansion and prosperity when there will be more production of goods which will be available to the people at reasonable prices.

I ask for fortitude against temporary difficulties as well as understanding and sobriety from our people in all sectors of the national society.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Statement: President Diosdado Macapagal on the President's Return to Manila

**Statement of President Diosdado Macapagal:
On the President's Return to Manila**

[Released on March 27, 1962]

EXERCISE TULUNGAN

(Statement on the President's return to Manila on March 27, 1962, aboard the USS "Oklahoma City" from Mindoro where he observed the last phase of "Exercise Tulungan", the 20th SEATO war games held in Philippine territory.)

I CONGRATULATE Admiral Schoech and General Santos, as well as the other officers and men of the United States, the Philippines and Australia, for the impressive military exercises of the SEATO "Tulungan" which I had the privilege to witness.

The exercises impressed me as clearly demonstrative of the teamwork and cooperation among the military units of the SEATO nations which have become bound by a sense of common security and dedication to freedom.

I am gratified that the participating Philippine units have performed their role with notable excellence in line with the fine tradition of the Filipino soldier and that they have benefited from the experience and opportunity provided by the cooperative effort and modern arms made available in these exercises.

On behalf of the Filipino people, I reiterate our faith in the efficacy of multilateral covenants of common defense like the SEATO. The dedicated participation of Philippine units in the "Tulungan" military games is indicative of the readiness of the Filipino people to fulfill its commitments under the SEATO and other covenants with its allies in the free world for the peace and freedom not only of our country but of all mankind.

Source: **Presidential Museum and Library**

Excerpts from a Statement: President Macapagal during the breakfast meeting with members of Allied Majority

Excerpts from a Statement of President Diosdado Macapagal:

During the breakfast meeting with members of Allied Majority

[Released on May 17, 1962]

A CRUCIAL AND HISTORIC MEETING

WHEN WE MET HERE at luncheon sometime ago, I termed our meeting historic because by the successful forging of the Allied Majority which brought about a new leadership in the House of Representatives, you who compose the AM, Liberals and Nacionalistas, saved the Nation from the disaster of a protracted deadlock between the Executive and the Legislative.

Now, this meeting is more than historic; it is both historic and crucial because it will determine whether the high ideal upon which the Allied Majority was forged, which was to place the interest of the country above any other consideration in our actuations, was built upon the strong foundations of reality or upon the loose sands of superficiality.

I am constrained to say this because of the necessity of passing a crucial measure for full decontrol which I certified to both Houses of Congress two nights ago.

I realize the difficult circumstances under which I seek your support for this measure but it is under conditions of difficulty that the reality of high ideals and the strength of ties are tested and manifested.

Indeed, the Allied Majority in recent days has been put to great difficulty. Responding to the challenge of the Nation, you speedily passed the ten-point legislative program of the Administration. Due to the failure to form an Allied Majority in the Senate, however, the enactment of such legislation hit a snag in the Senate, thereby imperilling the realization of the legislative purposes for which the Allied Majority in the House in lofty idealism was conceived and consummated.

To make matters worse, due also in part to the failure to form an Allied Majority in the Senate, the Supreme Court invalidated the action of the House under the Allied Majority, changing the composition of the Commission on Appointments, which posed the danger to our cause of placing in the hands of our adversaries the choice of the men in Executive positions who would implement our program of administration.

Realizing this, the leaders of the Allied Majority alertly moved to provide the remedy of bringing about the political affiliation of the Nacionalistas in coalition with the Liberal Party but this also hit a snag because of a handful of colleagues who could not see their way to agreeing to such affiliation.

These reverses in the Senate and in the matter of the Commission on Appointments delayed our legislative timetable, so that today, on the last day of the session, our ten-point Administration program of legislation is uncertain of total enactment, which has in turn prevented the certification and enactment of the pet bills that are of paramount importance in your respective districts.

It was in these circumstances of difficulty that I had asked you to pass in the House the full decontrol bill, which events and circumstances occurring outside the Congress, and which I find inadvisable to describe in detail, have made necessary and imperative.

I will not delve into the details of the full decontrol bill but will only say the following:

If you will recall, in my State-of-the-Nation message last January 22, I recommended the enactment of a selective import tax as a necessary safeguard to decontrol. This tax being essential to full decontrol, it is in truth a full decontrol measure. Until two nights ago, I did not send a specific measure to effect full decontrol for two reasons: First, I felt that it would be difficult to pass in the Senate unless it was agreed upon previously in a bipartisan Council of Leaders; secondly, I exerted effort in the operation of decontrol to avoid its necessity.

Unfortunately, however, my efforts to form a bipartisan Council of Leaders were rebuffed by the Nacionalista leaders in the Senate who were in control because of the failure to form an Allied Majority in that Chamber. Likewise, my effort in the operation of decontrol to avoid the necessity of enacting a full decontrol measure did not succeed, so that now we must face the inescapable reality: that it is our duty to the Nation, it is the duty of all those who share the cause of the Administration, to pass this measure, otherwise we will have failed in our duty.

I should not go at length on the crucial consequences to our program for the people of the failure to enact this full decontrol measure or a satisfactory equivalent. I need only say that if this measure is not passed and we in the Executive Department do not succeed in overcoming the adverse repercussions, it may have seriously adverse results in our economic effort and bring about grave injury to the welfare of our people.

I sought to form a bipartisan Council of Leaders before attempting to seek the enactment of the measure because it affects temporarily the material interest of certain leaders in the Senate who uphold the exporters group altho in the long run, these exporters will be benefited by the over-all economic growth that will follow from the success of our decontrol and economic program.

This is what I meant when I said that your action on this measure will test the reality of the high idealism upon which we founded the Allied Majority, for in this bill there is a frontal clash between the welfare of the Nation and of our people, and the material interest of the special groups.

In candor, I must say—for brethren such as are in the Allied Majority, I must talk in candor—that if you do not approve this bill, you have chosen to uphold the material interest of special groups.

But if you approve the bill despite the material interests of special groups, then you have established for our people to cherish and for history to remember that the Allied Majority was formed for the people and to save the people. That is why I pray and beseech each and everyone of you to support and enact this bill in the House, because my faith that you are for the people is real in my heart.

In all frankness, I say that we will never succeed in what we are fighting for, and our people and our country will not be relieved of their hardship, unless we who are charged with the Nation's future can act to overcome the selfishness of limited interests in favor of what is good for the whole Nation.

Let me add that if you pass this bill in the House and the Senate will not, then we can push the fight for the people waged by the Allied Majority towards victory in both Chambers of Congress and among the people.

If you pass this bill in the House despite the difficult conditions under which you are asked to pass it, then you have shown that you are not only legislators for the people but you are leaders who can rise to heights of unselfishness, idealism and courage as well as any man.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Statement: President Macapagal at the Press Conference

Opening Statement of President Diosdado Macapagal:
At the Press Conference

[Released on June 22, 1962]

THE NORTH BORNEO QUESTION

AS REGARDS THE NORTH BORNEO QUESTION, which for some time now has been under intensive study by the Department of Foreign Affairs and other officials of the Government under my supervision, the British Government sent us a note under date of May 25, 1962, asserting British ownership and sovereignty over the territory. In reply to this note, and on the basis of the result of the exhaustive studies made on the matter, I have instructed the Acting Secretary of Foreign Affairs to hand a note today to the British Ambassador in Manila embodying our position which in turn asserts ownership and sovereignty. Our note reads as follows:

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FOREIGN AFFAIRS
MANILA

June 22, 1962

His				Excellency,
JOHN				PILCHER
British	Ambassador	to	the	Philippines
Manila				

Excellency:

I have the honor to refer to Your Excellency's note of May 25, 1962, quoting an aide-memoire on the North Borneo question which was handed on May 24, 1962, to the Ambassador of the Philippines in London by Mr. Peck, Superintending Undersecretary of the Southeastern Asia and Far Eastern Departments of the British Foreign Office.

The Department has noted the position which Her Majesty's government has taken with respect to any claim of sovereignty that may be advanced either by the Philippine Government or by the Sultanate of Sulu. It has also taken note of the fact that the Governments of the United Kingdom and Malaya have welcomed in principle the proposals for a new and independent Federation of Malaysia which would unite the present independent Federation of Malaya with North Borneo, Brunei, Sarawak, and Singapore. It has further noted the information given in Your Excellency's note under reference that the Commission set up by the Governments of the United Kingdom and the Federation of Malaya is shortly to report on these proposals insofar as they affect North Borneo and Sarawak.

The Republic of the Philippines appreciates the courtesy of Her Majesty's Government in making the foregoing advance information available. The Government of the Philippines, however, is unable to share the view of Her Majesty's Government that a public dispute with the Philippine Government about North Borneo might have undesirable repercussions in Malaya and Borneo; that such a dispute could impair the present friendly relations between the Philippines and Great Britain; that it might lead to territorial claims being put forward by other Southeast Asian countries, and impair the capacity of the peoples concerned for resolute united resistance to Communist encroachment and subversion.

I feel I should inform Your Excellency that the House of Representatives of the Philippines at its last session unanimously adopted a resolution urging the speedy settlement of the North Borneo question. On February 5, 1962, the attorneys for the heirs of the Sultan of Sulu addressed a communication to the Department regarding their claim

of proprietary rights over the North Borneo territory and their desire to see the territory included as part of the national territory of the Republic of the Philippines.

It is clear from Your Excellency's note of May 25, 1962 and from the letter of the attorneys for the heirs of February 5, 1962, that there is a dispute between the Sultanate of Sulu and the Philippine Government on the one side and Her Majesty's Government on the other regarding the *ownership* and *sovereignty* over North Borneo.

The Government of the Philippines and Her Majesty's Government have always maintained friendly relations. They are allies in the Southeast Asia Treaty Organization. They both belong to the United Nations whose Charter enjoins member states to settle their disputes by peaceful means.

The Government of the Philippines believes that any dispute between our two countries can be settled peacefully and in an atmosphere of good will and amity.

In this spirit, I would request you to convey to Her Majesty's Government the desire of the Philippine Government to have conversations started either in Manila or in London between representatives of our two Governments in order that the matter of ownership, jurisdiction and all other relevant points at issue in the North Borneo question may be fully discussed.

Accept, Excellency, the renewed assurances of my highest consideration.

Salvador P. Lopez
Acting Secretary of Foreign Affairs

We are suggesting peaceful negotiations* because this is the way of diplomacy, and because our position is, in our view, so soundly based on law and justice that it will prevail where reason prevails.

We take this action without any feeling of unfriendliness towards the United Kingdom, but solely in the peaceful pursuit of our national interests.

* The Philippine Government formally brought up its Borneo claim in the United Nations on September 27, 1962.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**Statement of President Macapagal on the Supreme Court decision on the suspension of Dr. Garcia,
September 14, 1962**

**Statement
of
His Excellency Diosdado Macapagal
President of the Philippines
On the Supreme Court decision on the suspension of Chairman of the National Science Development Board
Dr. Paulino Garcia**

[Released on September 14, 1962]

The Supreme Court decision has not resolved the charges against Dr. Paulino Garcia but the period of his suspension. In accordance with my general attitude of giving faith, credit, and respect to the Supreme Court, I shall comply with its decision.

I am constrained, however, to except to statements made in the concurring opinion, penned by Mr. Justice J. B. L. Reyes, that the President of the Philippines “had already prejudged the case and made up his mind that the petitioner (Dr. Garcia) had been guilty of electioneering” and that “the Chief Executive’s words and conduct have evidenced an attitude that is difficult to reconcile with the open mind, soberness, and restraint to be expected of an impartial judge.”

This uncalled-for attack on the President is aggravated by the fact that it is based on a statement attributed to the President from a newspaper report submitted not in the course of the reception of evidence in a formal trial.

There was no justification to make the gratuitous and irrelevant allusions attacking the President’s good faith because the case was not yet being decided on its merits. As the President was not a party to the case, it was inexcusable without giving him a chance to have his say. By prejudging the presidential mind even before the President has decided the case, the Justice is the one who appears to have prejudged the Garcia case.

The Justice has ignored that being a lawyer myself whose sense of responsibility has been recognized by no personal knowledge and judicially established evidence in rendering judgment on a case.

Not only that, the Justice has apparently forgotten that the right of free speech is one of the most cherished of freedoms; that the President should be entitled to that; that the statement alluded to, was made on 29 January 1962, when there was as yet no case pending before a tribunal of justice, here the Investigating Committee; and there was therefore as yet no case to prejudge. Who can deny therefore the right of the citizen, here the President. And when with such an erroneous basis and logic that he had to support his stand, he went to the extent of censuring my own conduct, I must submit to the judgment of the people that he has gone too far.

I have consistently shown respect for the Supreme Court and its members, and have always heeded its decisions. But to be entitled to respect, one must accord respect in return.

Any justice who unduly attacks the President of the Republic detracts from the prestige of the Supreme Court which should be held high at all times. A becoming sense of merit and humility should make one consider that he is not infallible; that it is not only he who knows the law; and that while the President of the country receives his position from the sovereign people, an appointive official receives his appointment from one man.

If a justice gratuitously prejudges the mind and good faith of others, he is opening the door to a suspicion of his own impartiality and good faith. In this case, for instance, it is plausible that there is less reason to prejudge the mind and good faith of the President than the mind and partiality of the justice who is a long-standing and ideological colleague of the respondent, Dr. Garcia, in the Civil Liberties Union and who, despite such extraordinary

association, has not seen fit to inhibit himself from a case affecting the juridical, as distinguished from the ideological and emotional standards, of civil liberties.

Pursuant to the people's mandate, this country is now going through a period of reform. It is desirable that the Supreme Court be kept above the resultant political and emotional stresses, for which purpose, the virtue of the Court and its members should be assumed. It would be unfortunate if through an inordinate sense of superior righteousness that is made to replace judicial sobriety, a Justice would open that assumption to dispute.

Official Gazette, Vol. 58 No. 40 (October 1, 1962), pp. 6423 – 6424.

Source: Malacañang Museum

Joint statement between the Republic of the Philippines, the Republic of Indonesia and the Federation of Malaysia signed at Manila, August 5, 1963

**Joint Statement Between the Republic of the Philippines,
the Republic of Indonesia and the Federation of Malaysia*
Signed at Manila, August 5, 1963**

The President of the Republic of Indonesia, the President of the Philippines, and the Prime Minister of the Federation of Malaya met at a Summit Conference in Manila from July 30 to August 5, 1963.

1. Moved by a sincere desire to solve their common problems in an atmosphere of fraternal understanding, they considered, approved and accepted the Report and Recommendations of the Foreign Ministers of the three countries adopted in Manila on June 11, 1963 (hereafter to be known as the Manila Accord).

2. In order to provide guiding principles for the implementation of the Manila Accord the Heads of Government have issued a declaration known as the Manila Declaration, embodying the common aspirations and objectives of the peoples and governments of the three countries.

3. As a result of the consultations amongst the three Heads of Government in accordance with the principles enunciated in the Manila Declaration, they have resolved various current problems of common concern.

4. Pursuant to paragraphs 10 and 11 of the Manila Accord the United Nations Secretary-General or his representatives should ascertain prior to the establishment of the Federation of Malaysia the wishes of the people of Sabah (North Borneo) and Sarawak within the context of General Assembly Resolution 1541 (XV), Principle 9 of the Annex, by a fresh approach, which in the opinion of the Secretary-General is within the requirements embodied in Principle 9, taking into consideration:

(i) the recent elections in Sabah (North Borneo) and Sarawak but nevertheless further examining, verifying and satisfying himself as to whether

- (a) Malaysia was a major issue, if not the main issue;
- (b) electoral registers were properly compiled;
- (c) elections were free and there was no coercion; and
- (d) votes were properly polled and properly counted; and

(ii) the wishes of those who, being qualified to vote, would have exercised their right of self-determination in the recent elections had it not been for their detention for political activities, imprisonment for political offenses or absence from Sabah (North Borneo) or Sarawak.

5. The Secretary-General will be requested to send teams to carry out the task set out in paragraph 4.

6. The Federation of Malaya, having undertaken to consult the British Government and the Governments of Sabah (North Borneo) and Sarawak under paragraph 11 of the Manila Accord on behalf of the three Heads of Government, further undertake to request them to cooperate with the Secretary-General and to extend to him the necessary facilities so as to enable him to carry out his task as set out in paragraph 4.

7. In the interest of the countries concerned, the three Heads of Government deems it desirable to send observers to witness the carrying out of the task to be undertaken by the working teams, and the Federation of Malaya will use its best endeavors to obtain the cooperation of the British Government and the Governments of Sabah (North Borneo) and Sarawak in furtherance of this purpose.

8. In accordance with paragraph 12 of the Manila Accord, the three Heads of Government decided to request the British Government to agree to seek a just and expeditious solution to the dispute between the British Government

and the Philippine Government concerning Sabah (North Borneo) by means of negotiation, conciliation and arbitration, judicial settlement, or other peaceful means of the parties' own choice in conformity with the Charter of the United Nations. The three Heads of Government take cognizance of the position regarding the Philippine claim to Sabah (North Borneo) after the establishment of the Federation of Malaysia as provided under paragraph 12 of the Manila Accord, that is, that the inclusion of Sabah (North Borneo) in the Federation of Malaysia does not prejudice either the claim or any right thereunder.

9. Pursuant to paragraphs 6, 7, 8 and 9 of the Manila Accord and the Fifth Principle of the Manila Declaration, that is, that initial steps should be taken towards the establishment of Maphilindo by holding frequent and regular consultations at all levels to be known as Mushawarah Maphilindo, it is agreed that each country shall set up a National Secretariat for Maphilindo affairs and as a first step the respective National Secretariats will consult together with a view to coordinating and cooperating with each other in the study on the setting up of the necessary machinery for Maphilindo.

10. The three Heads of Government emphasized that the responsibility for the preservation of the national independence of the three countries and of the peace and security in their region lies primarily in the hands of the governments and the peoples of the countries concerned, and that the three governments undertake to have close consultations (mushawarah) among themselves on these matters.

11. The three Heads of Government further agreed that foreign bases—temporary in nature— should not be allowed to be used directly or indirectly to subvert the national independence of any of the three countries. In accordance with the principle enunciated in the Bandung Declaration, the three countries will abstain from the use of arrangements of collective defence to serve the particular interests of any of the big powers.

12. President Soekarno and Prime Minister Abdul Rahman express their deep appreciation for the initiative taken by President Macapagal in calling the Summit Conference which, in addition to resolving their differences concerning the proposed Federation of Malaysia, resulted in paving the way for the establishment of Maphilindo. The three Heads of Government conclude this Conference, which has greatly strengthened the fraternal ties which bind their three countries and extended the scope of their cooperation and understanding, with renewed confidence that their governments and peoples will together make a significant contribution to the attainment of just and enduring peace, stability and prosperity in the region.

Manila, August 5, 1963

SOEKARNO <i>President of the Republic of Indonesia</i>	
	TUNKU ABDUL RAHMAN PUTRA AL-HAJ <i>Prime Minister of the Federation of Malaya</i>

Note:

Source: IV PTS 783

Footnote:

* Philippine Claim to North Borneo, Vol. II, at 101-103.

Source: The Philippine Claim to a Portion of North Borneo

Closing Statement: President Macapagal at the Summit Conference in Manila

Statement of President Diosdado Macapagal: At the Summit Conference in Manila

[Released on August 5, 1963]

ASIAN DECLARATION OF INDEPENDENCE

AT the opening ceremonies of this Conference last Tuesday, I was the only speaker. This morning there are three speakers. But although you listen to three voices, these voices speak as one, they speak in harmony, they speak in unison to carry a message of unity and hope to their peoples and to their region.

It seldom happens that one can feel entitled to say that he has participated, even in a modest role, in the making of history. This is one of those rare occasions. With the successful conclusion of this first Summit Conference of the Heads of Government of the Republic of Indonesia, the Federation of Malaya and the Republic of the Philippines, I feel that we have in a very real sense written a new chapter in the history of Asia.

The accomplishments of this Conference are embodied in the three historic documents we have just signed, namely, the Manila Declaration, the Manila Accord, and the Joint Statement, in which are embodied the agreements happily reached by the three sister states, both on the immediate problem of Malaysia and on the long-range project of Maphilindo.

Through the agreements on Malaysia, we have averted a possible catastrophe for the peoples of this area. By launching Maphilindo we have opened up a new road towards a brighter future for our three nations and for Asia as a whole.

In the vital matter of regional security, the Summit Conference took a decision of historic significance. We agreed that foreign bases, which we consider to be temporary in nature, should not be used directly or indirectly to subvert the national independence of any of our three countries. Furthermore, in accordance with the principle enunciated in the Bandung Declaration, we agreed that our three countries will abstain from the use of arrangements of collective defense to serve the particular interests of any of the big powers. These are the new guarantees of our common security based upon the conviction that we shall not any more allow outside influences to divide us.

This Summit Conference is a chapter of profound import for the peoples of Indonesia, Malaya, and the Philippines and, we trust, for their neighbors as well. The Manila Declaration, which President Soekarno, Prime Minister Abdul Rahman, and I have just signed, is more than an enumeration of principles and aspirations. It marks the beginning of an important new stage in the development of our three countries as independent states.

The attainment of political independence, of freedom from colonial rule, was the culmination of the first stage of that development. The peoples of Indonesia, Malaya, and the Philippines had first of all to become masters again of their respective countries before progress could be made in other fields of national life. This was the prime objective of their revolutionary struggles against colonialism, the crowning political goal which was achieved in the case of Malaya essentially through peaceful means and in the case of Indonesia and the Philippines through a combination of armed revolution and political struggle.

Having achieved political independence, our three countries are now engaged in the no less revolutionary task of giving it substance through economic and social progress based on social justice. I say this task is revolutionary because it involves the transformation of economies and societies which for centuries had been forced to develop within the stifling and unnatural confines of colonialism. It requires not only a massive re-orientation of national values but also the establishment of a new basis for national growth. The aim is to develop each country's material and spiritual resources for the benefit of its own people in order that they may enrich their own lives and at the same

time be capable of making their full contribution to the well-being of mankind in consonance with their native genius and national identity.

The third stage of our development as independent States follows logically from the other two. As Sovereign Nations conscious of their duties to themselves and to the world, the peoples of Indonesia, Malaya, and the Philippines, represented at this Summit Conference by their respective Heads of Government, have now agreed jointly to assume their rightful share of responsibility for the security, stability, and welfare of the region in which they live.

In this sense the Manila Declaration is a declaration of independence.

It expresses the determination of our three countries to safeguard this area from subversion in any form or manifestation. It contains their solemn pledge to combine their efforts in the common struggle against colonialism and imperialism in all their forms and manifestations.

At the same time, the Manila Declaration is inspired by the spirit of Asian-African solidarity forged in the Bandung Conference of 1955. It embodies the agreement of our three countries to strengthen fraternal cooperation among our peoples in all fields and to intensify their efforts to help build a peaceful new world dedicated to freedom and justice.

These are the inspiration and the aims of the Manila Declaration. The chosen instrument for their realization is Maphilindo, towards the establishment of which Ave are taking the initial steps by means of frequent and regular consultations at all levels, including Summit Conferences like the present one.

This Conference is in fact the first exercise in *mushawarah* or brotherly consultation by the three Maphilindo countries. In this first attempt by the Heads of Government of Indonesia, Malaya, and the Philippines to solve their common problems and forge a united approach in discharging their joint responsibility towards their region, the merits of Maphilindo have been severely tested. The difficulties we have encountered and overcome as well as the successes we have achieved constitute Maphilindo's initiation.

For us in the Philippines, and doubtless also for our brothers in Indonesia and Malaya, Maphilindo is an old dream come true. Our national hero, Dr. Jose Rizal, envisaged at the turn of the century a design for bringing together, free from colonial rule, the peoples of Malay origin in Borneo, Indonesia, Malaya, and the Philippines. President Manuel Quezon, an ardent nationalist, nurtured the same dream. The youth of the Philippines led by the patriot Wenceslao Vinzons, under whose leadership I had the privilege as a student to be among the organizers of the Young Philippines in the 1930's, also envisioned Maphilindo under our rallying cry, *Malaya Irrendenta*. President Elpidio Quirino drew inspiration from the same vision when he convened the Baguio Conference of Asian countries in 1950.

The dream of the unity of the Malay peoples was essentially sound. But the historical conditions for its realization did not mature until our own time. Now the vision has assumed shape and substance in the form of Maphilindo, thanks in large measure to the perception, good will, and wisdom of our two distinguished guests and collaborators at the Summit, President Soekarno of Indonesia and Prime Minister Tunku Abdul Rahman of Malaya.

I must point out that we are making only the most modest, of beginnings for Maphilindo. This is a decision deliberately and wisely taken. It has its basis in that surest and most dependable of foundations, reality. Considering the varying historical experiences of our respective countries, our differing traditions and political institutions, and our distinctive approaches to many international problems, we are well advised indeed to start as we are starting in Maphilindo: with frequent and regular consultations at all levels in the brotherly spirit of *mushawarah*, with mutual increase of knowledge and broadening of understanding of one another. This is the most solid and lasting support we can devise for Maphilindo.

We look forward, of course, to its steady growth and development. We are beginning with consultations, at all levels, from national secretariats to Summit meetings. But we envisage in due time the formation of common organs of cooperation in the economic, social, and cultural fields as well as in the all-important field of regional security.

Accordingly, we have agreed to make joint studies of appropriate machinery for Maphilindo which will facilitate and enhance the effectiveness of such cooperation.

May I conclude this brief address with an earnest appeal to our neighbors in Asia and to the world at large to understand Maphilindo and to welcome it as a new and constructive force for good in this troubled age. Maphilindo does not represent great power in the material sense. But it does represent a vibrant ideal sustained by a large and important segment of mankind. It is dedicated to peace, security, and prosperity not only for its associated nations but for all humanity. Born of the logic of events it now forms part of the mainstream of the history of our times.

At this solemn moment of Maphilindo's birth, I would therefore express the fervent hope that it may be allowed to develop in peace, without obstruction from anyone, in order that it may fulfill the great promise of its conception, realize its full potential for creative growth, and make its unique contribution to the building of a peaceful and prosperous Asia serving as one of the main pillars of that better world which we are all striving to build under the aegis of the United Nations.

Mr. President, Mr. Prime Minister: As you leave our country to return to your own, I would like to point out a matter of personal cherishment. You have come not on a formal State Visit but to a working conference of major political significance. And yet you could not have missed the spontaneous overflow of admiration and affection for both of you which has welled out of the hearts of our people from the mere consciousness of your presence amongst them, for you have honored us greatly with your presence and given us immeasurable joy. In you as our guests, we have upon our soil two of the greatest sons of the Malay race. We shall treasure forever the memory of this unprecedented fraternal confrontation.

I am deeply moved by the opportunity which has been given to us to share together the heart-warming joy of this reunion of our triplet-nations. Together we have labored hard to bring about the reconciliation of brothers long separated and estranged from one another. From here our peoples can move together to build in peace and concord a common destiny that shall be a blessing to themselves and a boon to mankind.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

HISTORICAL PAPERS AND DOCUMENTS

Extemporaneous Remarks of President Macapagal at the Philippine Army

Extemporaneous Remarks of His Excellency Diosdado Macapagal President of the Philippines At the Philippine Army

[Held at Fort William McKinley, January 11, 1962]

THE PHILIPPINE ARMY ON ITS 26TH YEAR

I FEEL VERY PROUD to be with you on this 26th anniversary of the Philippine Army. I congratulate the officers and men of our army on this occasion. I congratulate General Santos for his able leadership. I congratulate also the officers and men who today were given awards for valor and distinction. These awards are indicative of the excellent record the Philippine Army established in its 26-year history.

I say, therefore, on this occasion, to you officers and men: keep up this excellent record. As your new Commander-in-Chief, I pledge my full assistance so that in the coming years the Philippine Army shall, more than in the past, become a great and splendid organization of our people and our Republic.

I should like it known that it is our policy to keep our Army from politics, and politicians out of our Army. Under my command, appointments and promotions in the Army and in the other services of our Armed Forces shall be based on seniority, merit and justice. If you ask what you need from our military hierarchy, and are not satisfied with the action taken by your own superior officers, go to Secretary Peralta; and if you are not still satisfied with the action of Secretary Peralta, come to me. I will immediately see to it that your need is promptly attended to.

I desire to stress on this occasion my deep concern for the living conditions of our enlisted men. For this reason, as General Santos said, one month ago I came over here to Fort McKinley. I visited the barrios in which our enlisted men and their families live, known here as Sembo and Tembo. I shall continue to concern myself and to visit the various camps of our military organizations in the discharge of my duty to you and to our country. And, in pursuance of my concern for the well-being of our enlisted men, I have given instructions to Secretary Peralta that orders be made and steps be taken within the present financial capacity of our government in order that there be better recreational facilities, living quarters and increased pay for our enlisted men.

More particularly, however, I have also given instructions to the Commissioner of the Budget that in the next national budget which I shall propose to our Congress, there shall be included a proposal to increase the base pay of our enlisted men.

From the bottom of my heart, I greet you with affection and faith on this memorable occasion marking the anniversary of our Army. I feel so proud and astounded to see these young men give a demonstration of the training that they have acquired in case of combat. I wish to God that war shall not materialize in our time and in our children's time. As we contemplate the ideological conflict going on today in the world war scene within the realm of reality and actuality—if that should ever materialize—I wish to assure our allies in the free world that by the grace of God and the inspiration of our heroes, we shall not be found wanting. We will join fighting with our allies for freedom and existence.

It was inspiring to see that demonstration. It was indicative of the fact that the Philippine Army is the mightiest pillar of this Republic. Our Army is a stabilizing factor in a country where none of our people tend to stray from the noble traditions of our country. It is a stabilizing factor not so much because of physical strength, but rather because of the spiritual influence it diffuses to all men who truly have love of country. So, I say on this memorable occasion, in these times of crisis, at this stage in our history when there is need for a relentless effort for the pursuit of a better life for our people, we should think of particularly those living in poverty and hardships amidst obstructions placed not only by ideological foes but also by our own compatriots who in their selfishness or weaknesses and failings

tend to place the national interest below other ends. I say to you, officers and men of the Army, we who lead you, together we can become impregnable moorings and anchorage for the hope, vision, inspiration and dedicated endeavor for seeking a better life for our people.

Officers and men, with utmost pride, again I congratulate you, each and everyone of you. As your Commander-in-Chief, I pledge myself at the vanguard towards greater honor and a greater and better times for our beloved people. Thank you and God bless you.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Remarks of President Macapagal before the Officers of the National Press Club

Remarks of His Excellency Diosdado Macapagal President of the Philippines Before the Officers of the National Press Club

[Delivered at Malacañang, January 11, 1962]

THE PRESS IN NATION-BUILDING

IT HAS BEEN said that the last national elections underscored the strength of the foundations of democracy in our country. Our people, in the exercise of their rights, effected a change in the Administration. This could not have been possible had our people not been informed regarding policies of the previous Administration and the actions of its officials.

Through you, therefore, I would like to express my thanks to all those who made possible the publication and presentation of news to our people which helped bring about the peaceful change in national leadership.

Nation-building is an exacting and endless task. It is not the responsibility of one man or of one political party alone. It is a common endeavor of all the citizens of a nation.

You and I, therefore, share the common task of nation-building. Our immediate mission is to solve the urgent economic problems of the nation and place the country on the road to prosperity for the benefit of the great masses of our people.

On my part, I shall not spare any effort towards the fulfillment of this task. It is my resolve to dedicate my entire personal efforts and to utilize all the resources and facilities of the government to bring about a better life for our people.

You, too, have an important role in the achievement of this goal and I take this opportunity to appeal to you to join us: (a) by giving emphasis to the activities of the Government in the fulfillment of its mission; (b) by helping us change the national outlook from the overly political to the economic and thus stress the solution of economic problems; (c) by maintaining an attitude of constructive optimism, disdaining the gloomy, refusing to play up the inconsequential, and refraining from sensationalizing worthless and nonconstructive squabbles and doings.

I believe in the power and freedom of the press. This power of the press may be said to be a heritage from Presidents Roxas and Quirino. President Quirino refused to exercise his powers to regiment the press. Incidentally, he provided the lot on which the NPC building stands. On the other hand, my immediate predecessor sought to curb freedom of the press through the control of newsprint allocations and by granting favors to those who run our media of information. This I shall refrain from doing and will instead adhere to the Roxas-Quirino tradition of fully upholding press freedom.

I shall do this not only because I am and have been a believer in press freedom but because I regard power as an instrument solely for the public good. I shall not exercise my powers and will even give them up if to do so will serve the public welfare. I will, however, not hesitate to use them whenever necessary for the people's good.

In accordance with my willingness to give up my powers for the public good, I have today decided not to use my power to create political subdivisions and instead will recommend to Congress the removal of these presidential powers.

As we in the public office exercise discipline in the use of our powers, so, too, should the press exercise self-discipline. This includes moderation in the use of abusive language in criticizing public officials, not converting rumors into big news, verifying of items that can be readily checked before using them, not pontificating as if having a superior knowledge and wisdom, not using the power of the press for personal advantage, and other restraints that should be inherent in a press that realizes that its power and freedom, like the power of those in public office, are to be exercised only for constructive purposes and for the people's good.

A little illustration of how press power can be misused is the statement in a newspaper that when I attended the popular ball at the Plaza Sta. Cruz on our inauguration, I was using the bullet-proof limousine of the late President Quirino. A little effort to check this easily verifiable bit of report would have shown that it was absolutely false and a gross unfairness to the President could have been avoided.

In the process of administering the affairs of government we shall make mistakes but they shall be honest mistakes which we shall take pains to rectify once they are shown to be so.

To paraphrase the words of a great Filipino journalist and patriot, Marcelo H. del Pilar:

“The value of one's life may be measured in terms of human service. Defend the right. Correct the error. Happen what may, let us do what we can. God will take care of the rest.”

This is the spirit with which we shall approach the challenges before us.

It is in this same spirit that I ask you to discharge your own role in the common task of solving the urgent economic problems of the country and placing our Nation on the road to prosperity for the benefit of all our people.

Source: **Presidential Museum and Library**

Macapagal, D. (1962). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Remarks of President Macapagal during the Breakfast Conference with Publishers

Remarks of His Excellency Diosdado Macapagal President of the Philippines During the Breakfast Conference with Publishers

[Released on January 13, 1962]

THE CAUSE OF PRESS FREEDOM

I AM a strong believer in the freedom of the press. As between State regimentation of the press and press license, I favor the risk of having press license in the belief that the quality of self-discipline behind the great traditions of press freedom will, in due time, assert itself.

Because of this belief, I feel glad that, in a way, I have served the cause of press freedom through the elimination of dollar allocations for newsprint. The Administration will ever be ready to help in the solution of your problems within the bounds of law and morality because serving the cause of a free press means serving the people.

I believe, too, that newspaper publishers play a role in nation-building which is as important as that of any political, business, civic or religious leader. Correspondingly, publishers have an important responsibility to the Nation. That responsibility includes making their newspapers the organ of the people, for the people's welfare. Its proper discharge does not include making the newspaper an instrument to promote the political and business interests of the publisher, otherwise it becomes not an instrument for the national welfare, as the newspaper should be, but a weapon for selfish purposes.

It is my hope that by working together, each one faithfully discharging their respective responsibilities, during this crucial period of the economic life of our young Republic, we shall bequeath a greater Nation to posterity.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Remarks of President Macapagal before the Officials of Local and Foreign Trading Organizations

Remarks of His Excellency Diosdado Macapagal President of the Philippines Before the Officials of Local and Foreign Trading Organizations

[Delivered in Malacañang, January 25, 1962]

KEEP PRICES DOWN

IN MY PREVIOUS CONFERENCE with you, I expressed the resolve of the Administration to act decisively in seeking solutions to the economic problems of the country.

Implementing this statement, I approved on January 21, 1962, the resolution of the Monetary Board of the Central Bank providing for decontrol and on the following day, submitted a five-year socio-economic program to Congress as the guidepost of the economic policies and decisions of the Administration.

The Administration seeks your help for the success of our economic blueprint, particularly the decontrol program, which is calculated to invigorate the economy for the benefit of all the inhabitants of the country, nationals and foreigners alike. You can help through your cooperation towards stabilizing and strengthening the value of the peso and keeping the prices of commodities at a reasonable level.

The other day, we met separately with the leaders of the Chinese community who occupy an outstanding trading position affecting the masses, and I am glad to state that they have pledged their full cooperation with the program and have been, to our knowledge, implementing such pledge.

The success of the decontrol program calls for a joint effort of the common people, the business community, and the government.

In personal surveys conducted by me since the institution of decontrol, as well as from official reports, our common people have admirably reacted by the vendors' not generally raising prices and the customers' not showing undue concern in exceptional cases of price increases, thereby evidencing confidence in the Government and support for its program.

In this connection, I quote the following from a report today in a morning daily:

“One sentiment was expressed by a typical-looking husband hurrying to catch a Tagalog movie in Sta. Mesa with his two kids in tow. He said: ‘If Macapagal thinks decontrol is good for me and my family, it should be good.’

“Mrs. Carmen Montes of Quezon City said: ‘I hope this decontrol will lower prices in the future.’

“Esperidiona Lumanog of Project 4, Quezon City, held up a bagful of tilapia fish which she said she bought yesterday at less than half its cost the day before.

“A couple of Paco laborers, Jose Quimpo and Eufemio Irabon, complained of high prices of sugar. They expect decontrol to bring sugar down.

“On the whole, consumers elicit confidence in the economic leadership of the present Administration.”

The public at large having thus adopted an attitude of doing its part for the success of the program in the interest of anticipated better times in due course, I call upon the leaders of the business community to lead in showing willingness to make some needed temporary sacrifice of more profits to promote the success of the program for the common well-being.

It has been noted that while the common people have shown a mood for sacrifice, the columnist of a morning daily reported this morning the following:

“Gasoline and fuel oils increased in prices yesterday. This is pure profiteering. The oil and gas that we now have to pay at fancy prices were imported under the old rates.”

If this report has basis in fact, it reflects the kind of attitude and action that withholds cooperative support for the government’s program. Considering the tremendous impact that the actions of the business companies relative to the prices of the commodities in which they deal have upon general prices and upon the over-all business atmosphere, it is the hope of the Administration that the business community, instead of resorting to adverse activities like profiteering, hoarding and other manipulations, ought to be willing to forego some temporary benefits to the end that after the health of the economy has been restored and invigorated, there will be more profits and benefits for business enterprises and more advantages to the consumers.

The Administration feels justified in seeking your help because of its policy of giving opportunities to all the inhabitants of the country, citizens and foreigners alike, to have a just share in the benefits derived from the national economy.

The Administration is ready to continue with this policy of according equitable opportunities to both citizens and foreigners in the belief that both have a stake in the soundness of the national economy. Pursuant to the policy of encouraging foreign investments in joint ventures with Filipino investors, there are bound to be more opportunities for foreigners engaged in economic activity than there have been in the past.

This opportunity for foreign investors exacts a corresponding obligation from them to assist in promoting the success of our economic program, particularly during crucial times, such as the present transition from a controlled economy to a system of free and private enterprise. Your assistance is, therefore, a necessity which the Filipino people will appreciate. Such mutual effort between Filipinos and foreigners, which gives proper regard to the common interest, will go a long way towards the prolonged enjoyment by all the inhabitants of the country of the bounties that accrue from the economy.

For the good of our common country and the well-being of all its inhabitants, I trust that you will not fail to provide the sustenance to the government’s program that is in your power to give in these times of trial.

The Administration reiterates its readiness to help you and your problems. The decontrol and economic programs, which are politically disadvantageous in relation to voter reaction, are basically intended to create better conditions for your gainful operations. The leadership of the present Administration is ready to sacrifice its political interests in favor of sincere efforts to solve the Nation’s problems and help the various segments of the national economy for the common welfare. Of another thing you can be sure: Everything that the Administration does and will do to help you in your problems is on the level. Every act of assistance that the Administration will do will be done for no other consideration than a pure public service.

Source: Presidential Museum and Library

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Extemporaneous Remarks of President Macapagal before the Liberal Party (LP) National Directorate

Extemporaneous Remarks of His Excellency Diosdado Macapagal President of the Philippines Before the LP National Directorate

[Delivered on January 28, 1962]

LIBERAL PARTY'S NEW MISSION

FOUR YEARS AGO, this National Directorate of the Liberal Party met in this same place for the same purpose of taking stock of the party's situation and electing new officers. Then the party was in a state of weakness, uncertain of its future, justifiably apprehensive over its very survival and threat of disintegration and extinction. You placed in my hands and the other leaders whom you and I chose to be at my side the task of handling the cloudy future of the party. Realizing the magnitude of the task but aware that someone had to do it, I assumed the responsibility of preserving and strengthening the party. Now after four eventful years of hard labor filled with anxieties and heartaches which were tempered by an overriding love of country and devotion to our party, I appear before you again to report that the mission that you placed in my hands has been done, for the Liberal Party has not only been preserved and strengthened but it is now once again gloriously the party in power for the welfare of our people.

I recall what I told you in our meeting on January 25, 1959 when I said: "By the sacrifice of our leaders and members, our party has now been restored in the esteem of the people and will, therefore, in its invigorated self-discipline and strength, move and march relentlessly to the citadel of Malacañang, the symbol of the sovereign power of our people." That prophecy has been fulfilled for now Malacañang is not only in our hands but has been taken away from the influence peddlers and grafters, and has been returned and restored to the people. How this has been done is recorded in my 1961 written report to you and other leaders of our party, of which each and every one of you will be furnished copies.

In our meeting four years ago, I alluded to former Secretary Adevosio who brought into the party a substantial segment of the Magsaysay-for-President Movement as an indication of the growing expansion and strength of our party. Today, it is my pleasure to point out that in our party are leaders of the former Progressive Party of the Philippines and Grand Alliance, including the new Vice-President of the Philippines, Emmanuel Pelaez; new senators of the Philippines, Raul Manglapus, who topped under the banner of the Liberal Party in the 1961 senatorial elections; Manuel Manahan, former president of the Progressive Party and now vice-president of the Liberal Party for Luzon; Francisco Rodrigo and Gaudencio Antonino, who together with the regular Liberals and new senators, Maria Kalaw Katigbak and Camilo Osias, are living symbols not only of the fully restored strength of the Liberal Party but of its victories which began in 1961 and will continue in future political combats.

In a republican government based on the two-party system such as ours, a political party is a living organism that grows and adjusts itself to the changing times. Its tasks and responsibilities are as endless as the Republic itself. Four years ago, it was our responsibility not only to strengthen and preserve the existence of our party but also to be ready to provide hope and salvation to our people in the event of recreancy of the rival party in power to the public welfare. Now having occupied the seat of power and responsibility vacated by a President and Administration repudiated by our people, our party has a new task and responsibility. It is a responsibility that appears even more gigantic and appalling than that with which our illustrious founder, President Manuel Roxas, had to grapple. It calls not only for a national moral regeneration but for setting a disheveled economic house in order. Indicative of the magnitude of the responsibility is the appraisal of the Commerce Department of the United States which said on January 18, 1962 that "Diosdado Macapagal, the new President of the Philippines, faces perhaps the most serious economic problems in the young Republic's history." But with our prime motive to do nothing but what is best for our country, with the sustenance of a Liberal Party that has only recently shown its capacity to respond with vigor and success to the challenge of changing times, with the counsel of the present crop of upright, brilliant and dedicated leaders in the upper echelon of the party hierarchy, and with the confidence and support of our people

which we are resolved ever to deserve, I am full of confidence that as the Liberal Party under President Roxas rebuilt the Republic from the debris of war, the Liberal Party under its present leadership will surmount all obstacles to blaze a new trail of progress for our people and achieve new garlands of achievement for our party.

The difficulty of the problems that confront the Liberal Party in its return to the responsibility of leading the country anew is aggravated by the fact that while we have captured Malacañang, our highest goal, the Nacionalista Party still remains in power in both Houses of Congress. * In the House of Representatives, there are seventy-four Nacionalistas and thirty Liberals, while in the Senate there are twelve Nacionalistas and twelve Liberals. In the House of Representatives, the speakership bid of Congressman Villareal failed with a vote of 64–41. In the Senate, there is a deadlock for the presidency of that august body, but I am confident that Senator Marcos will in a short time bring new laurels to our party and become the President of the Senate.

The composition of the Congress poses a problem to the Liberal Party and the success of our Administration. The Nacionalista leaders in the law-making body have shown hostility to Malacañang that will not preclude obstructionism. While I believe in the separation of powers and that the leadership in Congress is an internal affair of that body, I have supported, within the bounds of propriety, the bids of Senator Marcos and Congressman Villareal and as long as they find valid reason to persist in their bids, I shall within proper bounds be ready to give them my support. The Liberal Party has hurdled more formidable difficulties than this problem in the past; so I am confident that our party will be able to solve successfully the problem of leadership in Congress. I say that the best and most enduring solution is to win the election for governors and mayors in 1963 as a preparation for winning in 1965 not only the Presidency, Vice-Presidency, and senatorships but also the majority in the House of Representatives.

To carry out our task, we have made appointments to our cabinet and to key positions in the government. In making these appointments done with essential consultations with other party leaders, our prime criterion is good government because for the LP the best politics is good government. We have also endeavored to harness the best available Liberal leaders on the basis of integrity, competence and dedication on which I am gratified that we have such leaders. A good number of our outstanding leaders have not been harnessed yet but I expect in due course of time the others who have not yet been called will be called until the bulk of our qualified leaders are all given roles in our Administration.

In the making of appointments, I would like to cite a difficulty that we have encountered. Upon encouragement of NP leaders, some officials appointed or placed by the past Administration in key positions have refused to vacate their positions, invoking the protection of their tenure of office and the civil service. At our assumption, I announced that our Administration will respect the tenure of office and the civil service subject to two exceptions: first, that in the case of offices and agencies which had become hotbeds of corruption, the leading officials must give up their posts to enable us to put our own men in their positions in order to carry out the mandate of the people to eradicate corruption; and second, officials who campaigned for Nacionalista candidates in the election must leave their positions because in taking part in partisan politics, these officials have forfeited the protection of the tenure of office and the civil service law which they willfully trampled upon.

A case in point is the head of the National Science Development Board. He has rebuffed repeated requests for him to resign alleging that he has a fixed tenure of office and that his position is non-political. The trouble with this official is that he is an active politician who openly campaigned in his province for the Nacionalista candidates. We agree with him that his position should be non-political. This is the very reason why we want him out of his position because he is an active politician, and why we have appointed in his place an even more qualified scientist who is not a politician. The Nacionalista incumbent has challenged us that the matter be settled in court. We accept his challenge and are ready to give due course to the steps that will expose him as a partisan who seeks to stay put in his office not to serve science but to serve the political interests of the Nacionalista Party and, therefore, should be put out of office for having forfeited the protection of the tenure of office and the civil service which he set to naught by campaigning actively for the NP candidates.

Another case in point is the Naric top brass. Clear indications were given to them to give way to new appointees in view of the urgency with which our Administration desires to embark on the stockpiling of rice and corn in pursuance of the preferential program of the new Administration to provide adequate rice and corn at prices within

the reach of the masses. Following admonition of Nacionalista leaders for them to stay put in their positions, they stuck to their positions, thereby delaying the implementation of the rice and corn program of the Administration. Considering the circumstances and knowing that the officials concerned had been recreant in their duties, after consultation with the Secretary of Justice, I ordered their investigation and suspension for gross inefficiency and appointed our own men in order that we shall not be blocked in the discharge of our duty to effectuate a program that will fulfill the mandate of the people to solve the rice problem, prevent another rice crisis, and insure to our masses this staple food at prices within their reach.

We have taken these steps and similar ones not because we desire the positions concerned for its own sake. We have been constrained to take these steps because the officials concerned who were appointed under the last Administration have refused to give us a chance to fulfill the clear mandate of the people in the last election. The people clearly voted for a change; they voted for the eradication of corruption. How can this change and this moral reform be brought about if the corrupt officials will stay put in their posts invoking tenure of office and the civil service which, by their past acts of partisanship, they have violated? I renew my request to these officials to quit their posts and give a chance to the people's will to be carried out. The people voted for a change and the eradication of corruption. Being the one principally charged with this popular mandate of the people, I must say that I shall do everything within the limits of the law and morality to insure that undue obstruction is overcome and that the will and mandate of the people is carried out because that is the essence of democracy.

As we have been in office less than one month, we shall not be able to give a full picture of the things that we hope to bring about in the discharge of our renewed responsibility to direct the affairs and destiny of our people. What we have done in less than one month will, however, give you a fairly good idea of events to come. We have set into motion a moral program to abolish the "tong system" and eradicate corruption, which has already produced a salutary effect. In one of the various conferences I have been holding with responsible leaders representing various shades of the national life, a prominent business leader observed that: "For the first time in many years, we businessmen feel that we can plan for the future, no longer prevented from doing so by such insurmountable items as imponderables." As long as I am President and as far as humanly possible, I shall not allow corruption to thrive again in the government to the end that in 1965, the issue of graft and corruption will not be raised against the Liberal Party, which shall be the party of integrity, decency and fidelity to the people.

Our most potent advance in the brief space of less than one month has been in the economic field, which I have always emphasized as our main and far-reaching task. While the past Administration promised decontrol for four years without bringing it to reality, we made decontrol a fact and a reality in twenty-days after we took over the Administration. Decontrol has long been the clamor of our people. It is necessary not only to pave the way for the restoration of the health of the national economy but also as a major step in the eradication of corruption because control of foreign exchange has been the inherent source of graft and corruption by the graft artists of the past. In putting effect to the national necessity of decontrol in twenty days, we are justifiably proud to say that we did it with success. Our action has been hailed not only by the whole economic community and our people but by other nations of the free world. Mr. Pick, the world famous currency expert, said that our action has been "the most fundamental action taken in the young Republic for the past fifteen years." The United States Government, the *New York Times*, General MacArthur, all friends of the Philippines, have hailed our action. Yesterday's papers reported that the price of the Philippine peso had gone up in Hongkong and this "showed strong confidence among businessmen in the present Philippine administration." Business leaders whose assistance I sought for our decontrol program told me that the success of our decontrol action has been amazing; that it was anticipated that with decontrol, the price of the peso would rise far beyond two pesos to the dollar; that the prices of commodities would shoot up; that there would be excitement moving towards panic; but in lieu of these, the price of the peso ranged from P3.50 to less than P4.00; the prices of commodities have generally been steady; and that the atmosphere is one of serenity as if no decontrol had been implemented.

This notable success of decontrol has been due to many factors:

First, the special economic mission which I sent to the United States headed by Acting Finance Secretary Fernando E. V. Sison and Central Bank Governor Andres V. Castillo obtained unexpectedly in eight days a dollar stabilization fund of \$300 million, apart from an available \$55 million more from the IMF, \$93 million in commodity

accommodations under U. S. Law 480 and \$73 million in additional war damage payment which President Kennedy included in his budget;

Second, the careful safeguards that we provided, including credit control by the Central Bank and revised tariff rates;

Third, the cooperation of the business community; and

Fourth, the confidence of the common people in our Administration.

This last factor is the one that I cherish most, the confidence of the common people in our Administration. The *Philippines Herald* reported in its issue of January 25, 1962 that a person who was interviewed typically remarked: "If President Macapagal says that decontrol is good for me and my family, it must be so." I am so grateful to our masses who were the ones who rallied behind us to victory and who now are giving me magnificent support on my policies. It is for this reason that in my State-of-the-Nation message, when I appealed to them to undergo sacrifices before prosperity comes, I could not control my emotions, tears welled in my eyes, because my heart is full of love and devotion to our common people to whom I belong.

Through you who are our leaders all over the country in contact with our common people, let me say this although in the next four years, I shall strive and sacrifice, with absolutely no interest for myself, to serve the welfare of our country in general—my special objective is to promote the welfare of our masses to whom I can give assurance coming from my soul that whatever future has in store for our Administration, my particular aspiration is, above all, to consecrate my whole being to the attainment of a better life for the masses of our people.

Our decontrol program is only the beginning. The enduring task is the implementation of our five-year integrated socio-economic program which I submitted to Congress. This program shall be our guidepost for the next four years. I enjoin you to acquaint yourselves with this program, which shall be the economic bible of our party in the coming years. It shall be difficult of implementation; but inspired by the demonstrated ability of the Liberal Party amidst the vicissitudes of political fortune, I feel every sense of confidence in my being that we shall push this socio-economic program to a successful conclusion to convert into reality the expectations of our people of "Happy Days Are Here Again."

Our opponents sneer at our song of "Happy Days" as if to deny its validity after the election. We did not say that happy days would come in one week or one month. Our term of office is four years. But even immediately after taking over, happy days had dawned because the tong system was gone corruption was on the run, the influence peddlers had lost their business; surely this is a matter of rejoicing and happy days for our people.

In twenty days after taking over, we launched our socio-economic program designed to enable the country to go over its hitherto mounting difficulties and to reach over to better times. There will be initial difficulties. These difficulties will be temporary, and as our socio-economic program gets in full swing, I assure you as I accurately assured you of my election four years ago, that during the term of four years given to us for the purpose by our electorate, better times will come and there will be happy days that will endure for our people under the glorious banner of the Liberal Party.

Again, I greet you all with fraternal affection. I give you my gratitude and that of our other elected officials for the successful labors and sacrifices you undertook in our past campaign. Today, you have met to reorganize the party leadership, to strengthen further the fences of our party to prepare for future political battle in 1963 and 1965. As you did this successfully in 1959, so will you do it now. In 1959, you asked me to lead you. Now, in 1963 and 1965, I shall be beside you, I shall be beside the leaders whom you shall anoint with your confidence. I shall be with you as a soldier to win together with you more victories for our party and more progress for our country.

* On March 9, the same year, Rep. Cornelio Villareal wrested the speakership from Rep. Daniel Z. Romualdez by a 17-vote majority (54 for Villareal and 37 for Romualdez). Twenty-five of the 54 were NP's.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Remarks of President Macapagal at a Press Conference on Food, Clothing and Shelter

**Remarks
of
His Excellency Diosdado Macapagal
President of the Philippines
At a Press Conference on Food, Clothing and Shelter**

[Delivered at Malacañang, February 2, 1962]

FOOD, CLOTHING AND SHELTER

WE HAVE DEFINED the task of the Administration as one which shall seek first to foster moral regeneration and second, to provide basic elements of living to our people, namely, food, clothing and shelter.

Regarding food, I sent last Wednesday a message to Congress for legislation to support a rice and corn program which would bring sufficiency in rice cereals at prices within the reach of the masses, for which the sum of P50 million would be needed in 1963.

Regarding shelter, I sent yesterday a message to Congress for legislation to construct multiple-story apartment homes for the lowest-income groups, as a beginning, one in Quezon City and one in Manila, for which an appropriation of P3 million is needed.

Regarding clothing, I held a conference with textile manufacturers last January 27 to enlist them in a joint effort to produce suitable and low-priced clothing that can be widely used by the masses.

To help enable the people to afford the food, clothing and shelter that we hope to make available to them, we have done the following:

- 1) I have instructed the Budget Commissioner to increase the salaries of all low-salaried employees, including the members of the Armed Forces, with P10 as the minimum monthly increase.
- 2) I am sending a message to Congress recommending legislation for the government to assist private enterprise to create job opportunities in order to provide income to those who have none and more income to those with inadequate income.

This measure will call for the creation of employment that will increase production through the following projects:

- 1) The appropriation of P15 million for large-scale land settlement.
- 2) The sum of P7 million for a crop of agriculture extension workers who will be required to live in the rural areas.
- 3) The sum of P6 million for vigorous reforestation work.
- 4) The sum of P2 million for the energetic promotion of cottage industries.

5) Intensification of public works that promote production, like irrigation, flood control and roads connecting agricultural areas to market centers, the total amount for which will be announced upon submission to me early next week of the five-year public works program dovetailed to economic development now being prepared by the Department of Public Works.

The effectiveness of these efforts to solve the elemental problems and needs of our people will multiply in the course of the successful prosecution of the five-year socio-economic program which I submitted to Congress in my State-of-the-Nation message.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Remarks of President Macapagal delivered during the Constitution Day Celebration

Remarks of His Excellency Diosdado Macapagal President of the Philippines Delivered during the Constitution Day Celebration

[Released on February 8, 1962]

OUR CONSTITUTION

AN ANNIVERSARY of the framing of our Constitution is of the deepest significance in the history of our Nation. Looking back to the 27 years of its existence, we cannot but feel elated, realizing as we do that our organic law has been effective in promoting the people's welfare and interest, having withstood times of stress and peril. I therefore consider it a signal honor and privilege to greet you on this anniversary of the adoption of our fundamental law.

We can certainly be proud of our Constitution, which embodies our ideals, traditions and aspirations, and prouder still of the fact that although there have been vital changes in the political, economic and social life of our people since its adoption in 1935, the purity and integrity of those ideals, traditions and aspirations have not been affected in the least. It is therefore a tribute to the genius of the framers of our Constitution that they were able to distill into it the best there was in our people's history, culture and customs.

I need not tell you that I yield to no one in my adherence to the Constitution and all that it stands for. I am determined to defend our Constitution at all costs, aware as I am that it is the last bulwark against the forces that threaten to destroy our democratic way of life. And I pledge here and now that whenever there be any danger to that Constitution, I will be in the vanguard to defend and protect it, in order to insure our people's happiness and prosperity.

The surviving framers of our Constitution may rest assured that our fundamental law, which is the crowning glory of their achievements in the service of the Nation, will stand forever as a shining beacon to guide us in the years to come and remain an impregnable citadel against the insidious forces of destruction. They may find consolation in the thought that the people for whom our Constitution was promulgated will always cherish and remember with infinite gratitude that our founding fathers, inspired by the noblest and highest ideals of the Nation, did everything in their power to fashion a Constitution that would be most effective in serving as an instrument of the national welfare and interest. As long as we treasure freedom and democracy, as long as we consecrate ourselves to the service of the Nation, as long as we place the national welfare over and above our personal interests, so long will our Constitution stand and endure forever.

Source: **Presidential Museum and Library**

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Remarks of President Macapagal before Labor Leaders

Remarks of President Macapagal before Labor Leaders

Remarks of His Excellency Diosdado Macapagal President of the Philippines Before Labor Leaders

[Released on February 14, 1962]

LABOR AND OUR SOCIO-ECONOMIC DEVELOPMENT

YOU ARE UNDOUBTEDLY AWARE that the present Administration has launched a five-year socio-economic development program to achieve prosperity for the people at large and a better life for the common man.

The program was started with the implementation of decontrol which was designed to effect a shift from the corruption-breeding system of controls to the free market economy to release the energies of the people and bring about vigorous economic growth.

The success of the program requires the assistance and cooperation of all sectors of the economy and of the people. The leaders of the business community have extended their cooperation.

We seek the assistance and cooperation of labor both because its help is essential and because in the final analysis, the beneficiary of this socio-economic program is the common man.

The well-being of the masses is my prime concern and that of my Administration. The goals and efforts of the Administration have been geared towards service and a better life for the common people because we realize that while the higher strata of the socio-economic body can adequately protect their interests, the common people need the assistance of national leadership for the protection of their rights and the attainment of a higher level of living.

The primordial concern of the Administration for the well-being of the common man finds continuous manifestation in the activities of the government.

In instituting decontrol, which is a necessary operation to restore the health and infuse vigor into the economy, the Administration took the following measures to safeguard the masses from transitory inconveniences: (1) the tariff rates on essential consumer goods were lowered; (2) an increase of salaries for employees was incorporated in the 1962-1963 national budget submitted to Congress; (3) business leaders of enterprises in a position to do so, like those in the sugar industry, have been asked to consider increasing the wages of their laborers; (4) a rice and corn program has been put into effect to assure a supply of these staple foods to the people at prices within their reach; and (5) arrangements have been made to assure low-priced milk, canned fish and corned beef through the NAMARCO.

At the same time, measures were sent to Congress to bring about the following: (1) provide housing for the poor by the construction of multi-storey apartment houses in Manila, Quezon City and other places to be leased to the lowest-income groups at nominal rental, and (2) provide employment supplemental to the jobs generated by private enterprise through government projects that create employment, for which purpose the following amounts have been sought from Congress (a) P15 million for land settlement; (b) P7 million for agricultural extension work; (c) P6 million for forest conservation and reforestation; and (d) P2 million for cottage industries, apart from a more extensive and intensive public works construction under a five-year public works program to support the socio-economic development program.

These should indicate the particular concern of the Administration for the common people.

I feel justified in seeking the assistance and cooperation of the leaders of labor for the success of our program. You can render this assistance and cooperation by sound labor leadership that will consider the proper share that labor has in the common responsibility of making the socio-economic program succeed, considering that it is the early attainment of general economic prosperity that labor can achieve an abundant life

The Government does not underestimate the role of labor in the economic development of our country. We realize the vital role that is being played by labor unions and labor leaders. Properly guided, labor unions could well be potent vehicles for the attainment of better living wages and conditions for our laborers. Improperly guided, labor unions could set back the cause of unionism and at the same time disrupt the smooth operations of vital segments of our industrial society. For this reason, I strongly appeal to you to help us in our efforts to put our country on the road to prosperity for the benefit of all. Your help is vital to our effort and this help, when extended fully, will be cause for deep appreciation on the part of our people.

As one who belongs to the common people, I assure you that the final outcome of our program, policies and labors will be the economic security, well-being and happiness of labor and the masses of our people.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Remarks of President Macapagal during the Red Cross Kick-off Ceremony

Remarks of His Excellency Diosdado Macapagal President of the Philippines During the Red Cross Kick-Off Ceremonies

[Released on February 14, 1962]

THE RED CROSS

TODAY we take unto ourselves once again a task incumbent not alone upon citizenship but also upon our very humanity. For the tasks of the Red Cross are not limited by the frontiers of nationality or citizenship: they are the tasks of mankind.

The work of the Red Cross is legend. It would be trite to elaborate upon it. Through unstinted labor, this organization has proven itself indispensable in the promotion of public welfare, especially in times of emergency, symbolizing our national spirit of compassion and our aspirations for world peace and understanding. I have complete faith that the Nation will prove itself worthy of the greatness of its Red Cross society, and respond to the appeal that we launch today with the same vigor and readiness as they have always responded to Red Cross appeals in the past.

I find that because it is the least touched by political intervention, the Red Cross is the most dependable and effective agency for the distribution of aid in case of public calamities.

I, therefore, urge all citizens and residents of this country, as well as all associations and organizations, to help actively in the fund campaign which I declare open today, by giving generously of their means, time and efforts to realize the aims and purposes of the Philippine National Red Cross.

It is my pleasure to declare open the 1962 Red Cross fund campaign, and for my part I wish to present my humble contribution in the amount of P1,000.00.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**NATIONAL GOVERNMENT PORTAL – EDITED AT THE OFFICE OF THE PRESIDENT OF THE
PHILIPPINES UNDER COMMONWEALTH ACT NO. 638**

Remarks of President Macapagal before the Government Prosecutors League

**Remarks
of
His Excellency Diosdado Macapagal
President of the Philippines
Before the Government Prosecutors League**

[Released on February 17, 1962]

“DO JUSTICE TO EVERY MAN”

IN THE COURSE of your convention, you have heard ringing words from several eloquent and distinguished speakers; you have been told what qualities of mind and heart you, as prosecutors, must possess; you have been reminded of tasks left undone and graver tasks that must be done.

For my part, I have only one, very brief message to convey to you. It is a message which is neither new nor strange, but which I would want each of you to engrave upon your heart, as it is engraved upon mine—

“Do justice to every man.”

Do justice to the accused by acting as prosecutors, and not as persecutors.

Do justice to the offended by giving the best that is in you on their behalf.

Do justice to the poor by not allowing their oppression by the rich.

Do justice to the weak by shielding them from the impositions of the strong.

Do justice to the innocent by preventing them from being counted among the guilty.

Do justice to your fellow citizens by seeing to it that only those who are really worthy may share their patrimony with them, and that the patrimony of the Nation may not become the spoils of the unscrupulous and the crafty, the crooks and the racketeers.

Do justice to the strangers in our land by protecting them from intolerance and those who would take advantage of their being strangers.

Do justice even to those who are not above committing injustice.

Do justice to every man—and justice shall be done unto you.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Remarks of President Macapagal at Gridiron Night, National Press Club

Remarks of His Excellency Diosdado Macapagal President of the Philippines At Gridiron Night, National Press Club

[Delivered on February 28, 1962]

TRUE LIBERTY

IN MY ADDRESS on the State of the Nation to the First Session of the Fifth Congress, I made it clear that: "In the accomplishment of our missions, we have chosen the freedom of democracy as the context for the solution of our problems."

Indeed, I am a strong believer in liberty. The essential quality of a democracy without which it cannot exist is liberty. As a man of the humblest origin and circumstances who was elevated to the Presidency by the exercise of one of our people's liberties and rights, which is that of suffrage, I pledged on my assumption of office and I solemnly vow again that I shall, not only with words but with deeds, respect, defend and uphold the civil liberties of our people.

As one of the deeds by which I shall carry out this pledge to respect, defend and uphold the liberties of our people, I have on this very day directed the Secretary of Justice to conduct a thorough investigation of the unsolved cases of massacre, mass and brutal killings, including the Maliwalu, and to bring the culprits to justice whoever they may be in order that never again shall the heinous trampling of civil liberties disgrace this land of freedom and free men.

To the delegates to the First Asian Conference on the Freedom of the Press, I again expressed the passionate concern of the present Administration for our cherished liberties, particularly the freedom of the press. I said that as between regimentation and the license of the press, I would prefer license because regimentation can lead to tyranny while license can be avoided by a sense of self-discipline and responsibility.

Liberty, therefore, can be restrained from degenerating into license by liberty's self-discipline and sense of responsibility. Self-restraint is an innate quality of liberty.

During a certain period of my boyhood, I thought I had liberty when I was free to do as I pleased—free to roam the green fields of my home town; free to engage in childish pranks; free to shed my wooden shoes and walk to the village school in my bare feet. As a student of law, of which I still am, I came upon the warning that liberty is not license. No man can do exactly as he pleases. To be free, one must consent to be restrained. For, in the immortal words of Mabini, "liberty is freedom to do right and never wrong, it is ever guided by reason and the upright and honorable conscience of the individual." And, as eloquently expounded by President Quezon:

"The slogan that must be thrown overboard is the theory that in a democracy, individual liberty must not be restricted. Liberty is of course one of the most precious rights. But civilization has made progress only at the expense of individual liberty. The freest man is the savage, the man who lives in the forest or mountains, recognizing no rule except his own will, no power except his physical strength."

It is, therefore, erroneous to exalt liberty as freedom from restraint. It ought to be recognized that, without regulation, inequalities, privation and suffering for the great mass of our countrymen will result; that, in order that the many may enjoy some measure of freedom, the power, particularly the economic power, of the few must be limited; that the license of some has to be curtailed to promote the liberty of all; and that the common citizen will never have a chance to realize the full potentialities of his personality unless we bring within his reach the end of his

hand-to-mouth existence. In other words, the economic atmosphere must be congenial to the preservation and enlargement of liberty for the great majority of our fellow citizens.

For, as the American legal philosopher, Charles P. Curtis said: “Freedom of expression may be—and is—’the matrix, the indispensable condition’ of all the other freedoms,” and as Cardozo said, “but what comes first, and has top priority, is enough to eat and drink, a place to work, another to sleep, and some reason to hope that your children will be off to a better start than either of you were.”

It is to be expected that the concept that excesses of liberty must be curtailed, and economic power must be restrained to give greater real liberty to our people, would be opposed, as it is being opposed, by those whose economic interests stand to be hurt. Governmental action in this direction, though clearly intended for public interest, would circumscribe the privileges and advantages hitherto enjoyed by them. Against these efforts to curb their vast influence, they would turn to a false concept of liberty. The liberty which is the legacy of the masses would be invoked for the preservation and protection of privilege. Such, however, is not the true spirit of liberty; and indeed, while liberty is the right of the individual against authoritarianism, authoritarians in various guises will always be the first to seek to justify their outrageous acts in its name.

In synthesis, liberty and democracy are what we ourselves and our outlooks are. Liberty is a farce if we permit citizens to be killed brutally without atonement. Democracy is an ugly caricature of what we dream it to be if in the name of liberty we abet graft and shield its perpetrators. Democracy and liberty are empty shibboleths if invoking liberty we allow an avaricious few to keep a monopoly of the largess of the land, thereby denying to democracy its virtue as an implement for the bounty of the many, which alone makes democracy an authentic reality.

Liberty or the lack of it is inside us. For my part, knowing myself better than no other human being can ever know, I can assert before men and before God that I am unqualifiedly committed to the cause of liberty, but I vow to do everything within my power, even at the risk of grievously offending certain well-entrenched and formidable interests, to fulfill the promise I made when I assumed this lonely post to attain true liberty for our people by transforming our country, at an early time, into a land of abundance not only for a favored few but for each and every Filipino.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Remarks of President Macapagal on the sixth death anniversary of President Elpidio Quirino

Remarks of His Excellency Diosdado Macapagal President of the Philippines On the sixth death anniversary of President Elpidio Quirino

[Delivered at the Philippine Columbian Clubhouse, March 1, 1962]

QUIRINO: BENEFACTOR AND PROPHET

OUR FRIEND Hermie here could not but reminisce about President Quirino. I, too, have many reminiscences about the beloved President. I recall among these reminiscences that day when I was working under him. He called me to his office and gave me a fatherly advice on how to comport myself both as a public official and as a citizen. He told me what he told Hermie Atienza. Someday, Mac, he said, you may become President of this country. I disagree with Hermie's statement that President Quirino was a poor prophet. Maybe he did not have the proper material but certainly he was a very good prophet. And it is because of this that I could not miss this cherished occasion. As a matter of fact, before coming here I went to the tomb of our beloved President and prayed over his grave because there are so many things that attached me to him. It was he who gave me an opportunity in public service. It was he who, after the war, appointed me as an assistant in the law division of the Department of Foreign Affairs of which he was the Secretary and concurrently Vice-President of the Republic. It was he who gave me the first opportunity to earn public notice when he appointed me as negotiator of the return of the Turtle Islands from the British which I effectively negotiated- Again, he put me in the public limelight when he asked me to go to the Turtle Islands and raise the Filipino flag over that first territorial acquisition of our Republic. And it was he who gave me the opportunity of an excellent background for public life when he sent me to Washington as second secretary of the embassy in Washington. And finally, it was he who recalled me to the Philippines on the advice of one of his best friends, Secretary Baluyut who is here, in order to run for congressman in the first district of Pampanga.

And so, it is a fact that I am a product of the political tutelage of President Quirino. Even when I was a member of Congress he continued to be interested in my political career. As President, he helped me in my problems as congressman. I remember that after campaigning in Pampanga in 1953, on our way back to Manila in a special train, he made this remark to me saying, "Mac, I hope I have a score of 100% in granting the requests that you have asked of me," and that was true. And so, I recall the same . . . "by their fruits ye shall know them," since I am a fruit of that tree of political tutelage from President Quirino.

My election as President of our country in the last elections is truly a vindication of the criticism levelled against that great man—a vindication that showed the greatness, the sincerity, the integrity of President Quirino.

The whole day after Elpidio Quirino crossed the frontier between mortality and eternity, the day was cloudy and rainy. I like to think that this was because his death caused sorrow on the earth that he left and brought joy in heaven that shone brightly with his presence- He was one of the greatest Filipinos who ever graced this land, spending the early phase of his life among our people before proceeding on his journey to immortality. He was a first-rate public administrator. His firm and adequate academic preparation as a lawyer and economist, and the sinews of his being strengthened by experience from being representative, delegate to the constitutional convention, senator, secretary of finance, secretary of the interior, secretary of foreign affairs, and vice-president, gave to the Presidency consummate and fearless ability in the science of government. As his endeavor met frustration because the people would not fully respond and harmonize with him their will, he proved thereby that the leader who must lead the Nation should not only count on the popular acclaim but must possess statecraft as well. The sophistry of his detractors notwithstanding, Quirino was an honest man. Unlike the honesty of others who advertize their integrity like a new commodity, his honesty was conclusively tested by over 40 years of public service. I know about his immaculate sense of honesty when I had the privilege of serving as one of his subordinates in the foreign office. He learned that I was offered a high position in the notorious Surplus Property Commission. He summoned me to his office and

with paternal solicitude told me and I quote: “You are a promising man, don’t make the mistake of working in that commission for the stench of corruption there will hurt you.”

I remember this admonition in gratitude and I heeded his counsel. And as proof of my conviction brought out by close observation of him in the highest and second highest position of the land that he was above reproach and the merit of his was enhanced by the fact that others around him not being of equal mettle dipped their hands in the filth of corruption to the discredit of his regime and the ignominy of the Nation. A collaborator of Quezon, Osmeña and Roxas in the peaceful epic of having immediate, complete and absolute independence, when independence was not yet achieved, he saw at once that while it was immediate, it was neither complete nor absolute.

As Vice-President and concurrently Secretary of Foreign Affairs he, therefore, resumed the struggle to make independence as complete and absolute as could be by standing firm in the negotiation for foreign bases on our soil on the primacy of Philippine sovereignty and title over all our territory.

Later, as President, he fought for the same cause when he opposed foreign intervention in our elections at the risk of his own defeat. He thus left a lesson as a legacy to his successors for them to emulate the wisdom or ignore the blindness that friendship between two nations does not mean mastery of one over the other, that collaboration does not mean subservience and that independence and sovereignty are not complete, absolute and real without national dignity. In the magnificent obsession of his career for the complete and absolute freedom of his people, he saw with mere perception that such ideal was unobtainable unless victory was won over two material enemies of liberty, namely: communism and its breeding ground, the poverty of the masses. He worked assiduously to subdue the communist enemy on our soil and forestall it from abroad. He initiated what has now become known defensive security system in this area of the world known as the SEATO to deliver a final blow against the enemy. He elevated one of his trusted men to the secretaryship of national defense from whence the latter had since held the communist foe at bay.

To eradicate the poverty of the masses, he pursued and skillfully retouched the economic development dream of his predecessors that would provide abundance for the common man. With a steady hand of a true statesman that was bewildered by what should be done, he set out to give substance to his vision of economic mobilization by embarking on huge projects that now stand to solidify the foundations of the progress of the Nation and as monuments to his talent as economist and executive. In his own words, “This was the task and the right goal. Economic development has become the essential condition and prerequisite of our survival as a free people it little matters that democracy establishes economic security as well as it affirms the dignity of human persons and secures the dignity of individual life.”

In synthesis, his deathless role in history is like a bridge of an epoch in his crusade for independence and the era of the utilization of that independence for the well-being of our long-fettered people. In him were personified the qualities of the free, independent leader found in Quezon, Osmeña and Roxas: erudition, eloquence and impeccable dignity. It is perchance true that the post-independence epoch which brought new challenges and fresh task calls for other qualities of leadership like youth, energy and palpable identity with the longings of the common man. Being the last prototype of the leadership of the old era was his historic duty to bring about transition to the new. In this role, he came out magnificently not because he had set in clear lines the task ahead but because it was he who discovered and singled out from political anonymity the leader after him who had captured the fancy of the masses. In this, he was like a fish of the genus *onchorynchus* that suffers and dies after spawning to give life to his brood which thereafter perpetuates the species.

Having given birth for the welfare, of the nation, to the discovery of a new leader who came after him, he suffered in defeat and died so that the new-born leader would perpetuate and carry on the work that remained to be done. So, while living, he served well our Nation and even in dying he gave sublimity to that service by making possible the emergence of a succeeding leader to whom he had made clear by his deeds, as the spokesman of the outgoing era, that the duty of the new leader of our dear country was to bring about under God complete independence and economic liberty of our people. But his accomplishments and service to his country were inestimable, the fortitude and grandeur of his character were even more. No Filipino bore a heavier cross of public vituperation than Quirino. Although the cross was at time unbearable and he stumbled, as it were, on his knees upon the cobbled cavalry, he picked himself up in noble silence strengthened by the faith that in the end the people will see the light of justice. To

the press that joined in this hysterical vilification and struck his face with stone he turned the other cheek in exemplary tolerance of the freedom of the press which he, more than any other President, upheld as inviolate and indispensable to a free people. It is an allegory of the magnanimity of his heart that in place of reprisal against and suppression of the press, he helped them own a home by providing a lot on which there now stands a stately building known as the National Press Club which is a testimonial not only to the exalted position of the press in our country but faith in its freedom of him, who made that edifice possible.

As one of the few who took time to cheer him with their company in his loneliness at hilltop, I once conversed with him on the deteriorating conditions in the country and the chance of his successor to effect a remedy. He told me with concern that he knew from experience that one of the pitfalls of a President is that he might become a victim of self-seeking men who flock around him and their constant flattery which prevent him from seeing the true needs of the people. He expressed a prayer that his successor might be spared this pitfall so that he would succeed for the sake of our country. Here, he was in the supreme splendor of greatness praying for the success of a man whom the Nation chose over him to his sorrow and fervently wishing that there might be brought about through the new leader the welfare and happiness of our people which was the immutable anxiety of his own mind and heart.

Indeed, Quirino's human soul went through the scorching furnace of unescapable trials and failures, and surviving the ordeal became divine. He tasted the bitter pill of the proverbial gratitude of political life when from the Olympian glory of Chief Magistracy surrounded ever by the glittering multitude of the most distinguished citizenry of the land who continuously sang pieces of encomiums, he descended after his defeat to the loneliness of a weary man without the solace of an intimate companion in an isolated hilltop of retirement where the loneliness of the place heightened the solitude within the man. In vain must he have craved for the sight of those who were his friends who told him they were his friends but who were now all gone as lonely day in and lonely day out there remained in his sight only a humble secretary and stenographer to help him write his memoirs, an only daughter whose care of him was handicapped by having a family of her own, and a couple of physicians whose periodic visits were a constant reminder that even his loneliness was not to be his for long. In vain must he have craved for the company of those human lightbugs who buzzed around him when his light was luminous but now that it had dimmed in his retirement were buzzing around incandescent lights.

In his poignant loneliness he saw those who were loudest in praise of him now were the loudest in praising his malefactors; and those who materially profited from his friendship keeping the farthest from him and dearest to the new dispenser of favors. He saw those whom he helped in their political career like Peter disowning him. He saw part of his work being paraded as the achievements of others and part rechristened and claimed as their own. He saw his endless mischievous enemies who refused to give him the mercy of peace in retirement but continuously traducing him in public or the equally recessionary acoustic of the parlor. He saw his name pulled down where it once graced a public hospital, grandstand, highway or other public place by puny men who thereby sought favor from the new master. But it shall be the certain verdict of ironic justice that the Lilliputians who sought to efface his name from the public sight of the citizens will be continuously forgotten upon their death while Quirino shall be ever more humbly remembered; that while the meanness of man may succeed in demolishing his name from wooden signs in public places, that immortal name will be indelible in golden letters of grateful memory in the heart of the Nation until the end of time.

Yet, let us not weep over what we lesser mortals call his death. To him it was but the beginning of the immortal life that he earned with the greatness of his labors. Let us rather weep over ourselves that we have now lost the valuable utility of his counsel at this hour of growing travails for our Nation and that we were unable to give him justice and vindication while he tarried upon this earth. It was of him and men like him that Plutarch spoke 2000 years ago when he said and I quote; "Not by lamentations and mournful chants are we to celebrate the funeral of a great man but by hymns for in ceasing to be numbered with mortals he enters the heritage of a diviner life."

Oh, merciful Lord, having given him full justice in Thine embrace in heaven, have mercy on those who did him injustice on earth.

These were the words that I wrang from my heart during the necrological service for the late President Quirino when I was a congressman. And on this solemn occasion, I am wringing them not only from my heart but also from my

soul because I found them to be true when I was a congressman. And now that I am the President of this Republic I am repeating them in order that history may render its verdict on the greatness and the nobility of that man.

So, my dear political benefactor President Quirino, as your benefactor, the founder of the Liberal Party, Manuel Roxas was my ideal and you were the one who gave me practical opportunity for a public life. It is the greatest honor of my life that I have become the President of our Republic after Manuel Roxas and after Elpidio Quirino. And so, on this solemn day, President Quirino, I vow to you and before God and men that as the third President from the Liberal Party of our Republic, I shall consecrate all that I am capable of in order to be worthy of your eminence and greatness, to be worthy of the glorious tradition of the Liberal Party, to be worthy of the needs, the aspirations and the greatness of the Filipino people.

Remarks of President Macapagal before the Fifteenth Annual Convention of Provincial and City Treasurers and Assessors

**Remarks
of
His Excellency Diosdado Macapagal
President of the Philippines
Before the Fifteenth Annual Convention of Provincial and City Treasurers and Assessors**

[Delivered at the GSIS Auditorium, March 6, 1962]

WIN BACK THE PEOPLE'S CONFIDENCE

LAST JANUARY 22, in my State-of-the-Nation message, I submitted for the consideration of Congress a Five-Year Integrated Socio-Economic Program for the Philippines.

This, I believe, was the first time that a five-year integrated economic program had been submitted by the Executive branch of the Government for the consideration and adoption of the Legislative department as part and parcel of a State-of-the-Nation message. This was done for a purpose, and that is, to impress upon one and all that we intend to solve the problems of our country in a systematic manner and that we shall be guided within our term by a framework within which economic measures will be implemented.

To my mind, this is the first step towards solving the multifarious economic problems that beset our country and I am confident that we shall be able to see the fruits of our labors within the next four years.

As part of the basic principles and general approach to economic problems contained in this Five-Year Integrated Socio-Economic Program, I stressed that:

- 1) The Government must win back the confidence of all segments of the population in its integrity. Without such integrity it would be futile to hope for any solution to our serious economic problems. The wise solution to economic problems will be in vain if we do not have in the government the right men who, by reason of their established integrity, can be depended upon to implement intelligently such solution; and
- 2) The entire Government machinery must become no longer a parody or mockery but must become the model of efficient, economic and parsimonious administration.

I wish at this point to emphasize that in the implementation of the above goals, the role of the provincial treasurers and assessors is second to none in importance. You, who are the Government extensions in the assessing and collection activities of the Government, have direct contact with important elements of our communities. Your performance and conduct, your integrity and efficiency, even your courtesy in your dealings with these elements can help win back the confidence of our population in the integrity of government officials, or you can set back the Government's campaign against corruption.

In winning back the confidence of the people, your role becomes doubly important because the fairness, efficiency and courteous dispatch with which you discharge your obligations could very well affect the attitudes of tax payers who, if treated fairly and justly, would not hesitate to pay their due and proper taxes to the Government.

In the implementation of the socio-economic program of the Administration, much depends upon the year-to-year assessment and collection of Government revenues and taxes. Our program includes a table showing fiscal resources and expenditures for the fiscal years 1963-1967. The success of our economic program depends upon our ability to collect the aggregate figure of six billion pesos during the next five years; and for this reason, I had pledged and I reiterate this pledge: I will take direct, personal and official interest in the systematic improvement of the

Department of Finance which has the main responsibility of tax administration. On the other hand, the Government shall continue to pursue its campaign for tax-consciousness in an atmosphere of greater dignity in the public service.

I also would like to take this opportunity to assure you that any collection you undertake that flows into the coffers of the Government shall be spent judiciously and solely for the interest of our people. I will not countenance the indiscriminate, wanton, reckless expenditure of public funds nor will I be a party to any scheme that would use Government revenues or public funds to promote or advance particularly the political interests of any group including my own political party.

I am giving you this assurance so that in the discharge of your particular responsibilities you will, likewise, be inspired, by the thought that not only are you assessors and treasurers and collectors of public revenues but that you are playing an important role in stabilizing the fiscal position of the country and in the implementation of the socio-economic program of the Administration and, in such a role, my friends, you and I are truly, really and actually partners in the task of nation-building.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**Remarks of President Macapagal at the University of the Philippines Alumni Homecoming Remarks
of
His Excellency Diosdado Macapagal
President of the Philippines
At the U.P. Alumni Homecoming**

[Delivered on April 14, 1962]

FREEDOM AT THE U. P.

I AM GLAD to be here with you today on this memorable occasion. For this day has afforded me the distinct honor and privilege of receiving the “Most Distinguished Alumnus Award” of the University of the Philippines Alumni Association and the chance to discuss briefly with you a problem affecting not only this University and the present but also the Nation and the future.

I would like to express my sincerest thanks and deep appreciation for the honor that has been bestowed upon me. I hope that I will be able to live up to the noble traditions of the State University and to the great expectations of my fellow alumni.

As I shall speak at the commencement exercises tomorrow, I shall now confine myself to a reference to the principle of academic freedom. This is an important matter because it involves not only the students, faculty and alumni of the University but also the welfare of our country. This principle has engendered heated discussions, conflicting opinions and ambiguous interpretations both within and without the campus of this University.

Section 5, Article XIV of the Philippine Constitution carries the provision that “Universities established by the State shall enjoy academic freedom.”

The Constitution does not give a definition of the term “academic freedom.” Neither does it elaborate on the provision. So it is a remaining task to determine what limitations there are to such freedom or upon whom the right of limiting such freedom devolves.

Arthur Lovejoy defines academic freedom as “the freedom of the teacher or research worker in higher institutions of learning to investigate and discuss the problems of his science and to express his conclusions, whether through publication or in the instruction of his students, without interference from political or ecclesiastical authority, or from the administrative officials of the institution in which he is employed, unless his methods are found by qualified bodies of his own profession to be clearly incompetent or contrary to professional ethics.”

Analyzing this definition, we note the existence of limitations on academic freedom. It is likewise noteworthy that those who have the power to investigate the conduct of the teacher or research worker are not specified, except that they should belong to his own profession.

This limitation on academic freedom is also disclosed in the history of academic freedom. At its inception in 1673, it was already subject to limitations. Karl Ludwig, the elector palatine of Germany, invited Spinoza the philosopher to a professorship in the University of Heidelberg, with the assurance that Spinoza would be given *philosophandi libertatem amplissimam*, the greatest liberty of philosophizing, but that this freedom should not be “abused to disturb the religion publicly.”

All these show that there is need for clarifying the meaning of academic freedom. There is still a fog of doubt as to its precise scope. Its clarification is compelling, otherwise it will be invoked time and again to suit the interest of a few to the detriment of the good of the many.

I believe that academic freedom should be used to advance the avowed cause of the University of the Philippines, which is “to provide advanced instruction in literature, philosophy, the sciences, and arts, and to give professional and technical training.” Academic freedom should not be used to promote ideas which are not in consonance with the moral regeneration in which our Nation is engaged. The Administration is exerting its utmost to inculcate moral virtues among our people. Our efforts would go to naught and it would be quite ironic if the State University, which is supported by the taxes of the people, should fail in the common duty of inculcating morality among our people and should instead disseminate ideas or theories which will result in the moral decadence of our society. My Administration upholds and will defend the cause of academic freedom but I will not subscribe to the use or misuse of academic freedom that will lead to the degeneration of the national character or to the destruction of the democratic and free way of life under which alone academic freedom can subsist as one of our cherished liberties.

Subject to the limitation on the misuse of academic freedom, I believe it to be the duty of the alumni to insure that true freedom prevails in the University. We must insure the exercise of the rights and freedom of the students guaranteed in the U.P. Charter. What makes the U.P. one of the foremost institutions in the field of education is the degree of freedom that is allowed both the faculty and the student body. Remove this right of freedom, and the University of the Philippines will be no different from other universities.

I therefore ask you to see that the Charter of the State University is fully and properly implemented. Let not the intent and purpose of those who framed this Charter fade away with the passing of the years. It is our duty as alumni to see that the existence and integrity of the State University are not jeopardized. Let us always be alert to the needs and problems of the University. Let us not hesitate to reinvigorate it. Let our Alma Mater remain always as the fountain-source of leaders and nation-builders.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Remarks of President Macapagal during a stag luncheon in Honor of a Laotian Goodwill Mission led by Prime Minister Chao Boun Oum

**Remarks
of
His Excellency Diosdado Macapagal
President of the Philippines
During a Stag Luncheon in Honor of a Laotian goodwill mission led by Prime Minister Chao Boun Oum**

[Released on May 29, 1962]

WESTERN POLICY ON LAOS

WE WELCOME Your Highness as the leader of the Laotian people who believe in freedom as a way of life. We sympathize with your Nation that has always loved peace, but today is torn by strife, a pawn in the struggle between Communism and the West.

You and those who follow your leadership, having cast your lot with the cause of freedom, have unfortunately not been given the full support of those powers which are leading the global struggle for human liberty and dignity.

In the Philippines, itself dedicated to the cause of freedom, you are among friends who sympathize with your struggle and wish you final success.

Thus far, like you, our people have seen no merit in a policy of neutralism. We have deliberately kept aloof from neutralism which we regard as the gateway to communism.

Believing that neutralism, particularly for a small country unable to maintain its own defense, is but a step removed from communism, we find it incomprehensible that you should receive less support from the West than the neutralists among your people.

This support for the neutralists in preference to those like you who are openly committed to freedom is a species of sophistry that can only weaken the defenses of the Free World and delay at such horrible cost the ultimate victory which free men are fighting and dying for.

We welcome you most warmly to our midst not only because you are our brothers in Asia but because we are with you in your cause. May God Almighty guide and protect your people until they are restored to freedom.

May I, in the spirit of this hope, ask you to join me in a toast to His Majesty Sisavang Vathana, King of Laos, and to the peace, prosperity and freedom of the people of Laos.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Response of President Macapagal to a toast offered by the Spanish Foreign Minister

**Response
of
His Excellency Diosdado Macapagal
President of the Philippines
To a toast offered by the Spanish Foreign Minister during a dinner tendered in His Honor**

[Delivered at the Viana Palace, Madrid, July 1, 1962]

OUR COMMON GOAL

DURING this pleasant visit of ours to Spain, there have been and there will be various occasions to invoke the historic ties of sympathy and affection that bind our two peoples together. Tonight, however, on the occasion of this brilliant dinner tendered in our honor by His Excellency, the Spanish Foreign Minister, it seems appropriate to refer to the common interests which continue to hold our two countries together in the pursuit of prosperity, peace and freedom.

Spain and the Philippines share a common desire to improve the living standards of their respective peoples. They would do well therefore to find out how through increased trade between them and through an exchange of knowledge and experience in economic matters, they could accelerate their agricultural and industrial progress and thus provide a happier future for their citizens.

There are also subsisting problems in their foreign relations which friendly discussion and negotiation should help to resolve. Proposals concerning travel, immigration, nationality, commercial and cultural relations could be agreed upon or advanced towards agreement in the course of this visit.

But more important than these things is the opportunity afforded us by this visit to affirm our common resolve to ensure the right of our respective peoples to live, each according to their traditions and ways of life, to fulfill their destiny and to worship God without constraint and fear of anyone. In particular, it is essential that our two countries maintain a common determination to protect the freedom of their peoples and to combat with all their strength the great evil that is communism.

The dignity of the human person, the love of peace, the brotherhood of men, the worship of God—these are the principal elements of the cultural tradition that our two nations share. May our two countries in the future as in the past, remain steadfast in their loyalty to these traditions and may that common loyalty ever be reflected in the common objectives of their foreign policy.

In this hope, may I invite you to drink a toast with me to His Excellency, the Chief of Spanish State and to the great people of Spain.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Response of President Macapagal to a Toast offered by President Antonio Segni of Italy

**Response
of
His Excellency Diosdado Macapagal
President of the Philippines
To a toast offered by President Antonio Segni of Italy during a State Dinner tendered in his honor**

[Delivered at the Quirinale Palace, Rome, Italy, July 6, 1962]

ITALY: FOUNTAINHEAD OF CIVILIZATION

MR. PRESIDENT, may I express my heartfelt thanks for the many acts of courtesy and hospitality shown to us upon our arrival in Italy. We have been alternately moved by the beauty that is so much a part of the Italian scene and by the warmth that is so characteristic of the Italian people. We are deeply touched by the many tokens of delicate attention and cordial friendship that you, personally together with Madame Segni, have manifested towards me and my wife. We have been struck repeatedly by the marked contrasts in your country where classic magnificence exists side by side with modern progress and where the wisdom of the past tempers the restlessness of the present.

My country notes with admiration how versatile Italy has been through centuries of continuing development. Rome is a city of art and history; it is also a city of rapid industrial development. Along with the old traditions, march new ideas in political and economic growth. The happy blending therefore of the old and the new provides a standard according to which comparatively new nations like ours can successfully evolve a way of life that at once expresses our Asian origins and yet bears the influence of the best in Western civilization.

In recent times, the Philippines has been rediscovering the mainsprings of its history and culture. Emphasis has been laid on the revival of our ties with our Asian neighbors; ties which were lost through centuries of virtual isolation. At the same time, we are aware that such nationalistic revival could degenerate into regional provincialism if it loses sight of the overriding need of people for international cooperation to enhance the prosperity of nations and individuals as well as the peace and security of all.

This is why my visit to your beautiful country has such deep significance to the Filipino people. We share with you an identity of religious, social and political principles and traditions. In coming here, I have a very clear impression of the confrontation between a country that is one of the ancient fountainheads of western civilization, and mine which is one of the young nations of Asia struggling to create a new working synthesis between the Asian spirit of infinite patience and endurance and the aggressive western spirit of material progress through science and knowledge.

Mr. President, with you as President of the Republic of Italy, a Chief of State with a distinguished record of public service as Foreign Minister and Premier, the Western world has one of its outstanding leaders. Under your inspiring guidance, Italy can look forward to a new social and economic renaissance. At the same time the nations of this old continent can look forward to the forging of a united states of Europe that shall be dedicated to the ideals of justice, freedom and democracy which also are our own.

Ladies and gentlemen, may I invite you to raise your glasses in a toast to His Excellency, the President of the Republic of Italy and to the great Italian people.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Response of President Macapagal to the Welcome Remarks of President Antonio Segni upon his arrival in Rome
Response
of
His Excellency Diosdado Macapagal
President of the Philippines
To the Welcome Remarks of President Antonio Segni upon his arrival in Rome for a two-day State Visit

[Delivered in Rome, July 6, 1962]

PHILIPPINE-ROMAN TIES

IN ancient days all roads led to Rome, for Rome was the seat of power and the capital of the world. In our time the roads still lead to Rome for different reasons. First of all, Rome is a city replete with history; it is filled with the symbols of other periods, the works and artifacts of civilization, the monuments of the past. There is no city in the world that contains a richer treasury of the culture, the art, the creativity and the genius of man. Beyond the great masterpieces of art, literature and music that this land has produced, it is also this great city that gave to the world Roman Law, a priceless legacy which the Philippines is fortunate and proud to share.

But even more important than these is the legacy of the Christian faith. This great religion that had its beginnings in the eastern Mediterranean had a magnificent flowering here in Rome. Moving westward through Spain, Christianity spanned the Atlantic and the Americas then beyond to establish finally its furthest promontory and outpost on the far western shores of the Pacific in the Philippines.

These are the ties of culture, law and religion that bind our countries close together. There are likewise other reasons why I have looked forward to visiting your great country.

The Philippines today is going through a period of accelerated economic and social development. We are on the take-off stage of industrialization. The first important act of my administration last January was to remove the artificial controls on our economy. We are this moment in a period of readjustment. Our economic development needs friendly foreign capital. For these reasons, we hope to be able to draw inspiration and encouragement from the dynamic efforts that have lifted Italy out of the debris of war into one of the most progressive and prosperous countries of the western world. With this visit, it is my hope that we shall help to strengthen the bonds of cultural affinity and economic cooperation that already exist between our countries. Our two peoples are also committed to the same ideals of freedom and democracy.

I trust that this visit will enhance the spirit of our common dedication to these ideals. In my wife's name and in my own and on behalf of the Filipino people, may I thank you most warmly, Mr. President, and your people for your courtesy and hospitality.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Full Text of the Response of President Macapagal during an official audience with Pope John XXIII

**Full Text of the Response
of
His Excellency Diosdado Macapagal
President of the Philippines
During an official audience with Pope John XXIII**

[Delivered in Rome, July 9, 1962]

AUDIENCE WITH THE POPE

IT is indeed a very rare privilege and honor that you have accorded to me, my wife, my family, and my people on this memorable occasion.

Spanning vast distances of land and sea, the Christian faith lighted the dark corners of our land and gave impetus to our social, moral, and cultural development. As the only Christian, Catholic nation in the continent of Asia, we look to Your Holiness for spiritual guidance and wisdom.

I also wish to make mention of many imprints that Christianity has left on our national character. We continue to draw inspiration from the precepts of Christ for the just and humanitarian conduct of the affairs of the government, for the defense of truth and for the uplift of the level of human dignity.

Allow me, therefore, Your Holiness, to express and convey the love and affection of the Filipino people. This is a sentiment that comes from the inner recesses of our hearts, from our souls. It is in this spirit, Your Holiness, that I wish to express our profound gratitude and the sentiments of the nation and people I represent.

You can rest assured, Your Holiness, that as long as I represent the Filipino people—we shall ever keep alive the fires of love for humanity, strive at all times to secure the peace of the world, and ever keep in mind that while we are the State's most loyal servant, we are God's first.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Remarks of President Macapagal upon arriving at the Manila International Airport

Remarks of His Excellency Diosdado Macapagal President of the Philippines Upon arriving at the Manila International Airport

[Delivered on July 17, 1962]

HIGHER ESTEEM FOR OUR COUNTRY

THANK you all for this heart-warming reception. I am not going to make a long speech because in a day or two, I shall deliver my regular Radio-TV address to the nation.

I wish to thank and congratulate the Vice-President and the Executive Secretary and all those who kept things going so well during my absence, as well as those in the opposition who respected the traditional moratorium on political attacks during the President's stay abroad. The Vice-President and the Executive Secretary, as well as those who assisted them, proved themselves not to be undertakers but real caretakers of the people's interests during our absence.

As you all know, I was scheduled to make visits to Spain, Pakistan, Italy and the Holy See together with the state visit that I was going to make to the United States with the support of our people. But for reasons you already know, my state visit to the United States was postponed, hence, it became mandatory that I continue with my visits to the other countries as to have done otherwise would not have been in keeping with the dignity of these other countries, as well as our own. So with a heavy heart I left the Philippines which I do not wish to leave except when absolutely necessary. Now I have come home with a lighter heart. Compensating for the pain of separation from our country and people, I can happily report on the tremendous success of the visits. Not only have substantial advantages accrued to our country because of it, but the countries I have visited now regard our country and people with better knowledge and higher esteem for our integrity, national dignity, sincerity and our respected role in the council of nations.

It has been reported, with truth, that I was given unprecedentedly splendid receptions in the countries we visited. We should not regret this as something contrary to my code of simple living. This is rather a reason for elation. The nature and extent of the receptions are commensurate with the regard and esteem of the hosts for the guest. Considering that I was the guest of the host countries as the representative and embodiment of our people and that the splendid receptions were meant not for me but for our people, I am very happy to know that under our administration the esteem for our people and country in foreign lands is such as to have warranted the best reception the host countries could give.

It is my observation that the integrity of a government has much to do with the opinion held by foreign countries about a nation. No less than His Holiness, Pope John XXIII, went out of his way, in speaking with us, to express happiness over the honesty and integrity of the present leaders of the country—the leading Christian nation in Asia. Knowing that honesty and integrity of the government affects the prestige and standing of our people abroad, I vow to you that despite desperate attempts to link the administration with scandalous practices that took place in the past, as long as I am President, this administration will not tolerate the return of corruption but will firmly stamp out and destroy this evil no matter who gets hurt.

There was one additional benefit from this trip which is beyond calculation. The leader of a country must know at first hand the conditions in the world. Even the father of a family cannot do well his duty to his family if he knows only what is going on inside his home and does not take a look at the conditions in his neighborhood and the community in which he and his family live. All my life, I have been thorough-going, preparing myself fully for any undertaking. In pursuance of a dream which God had fulfilled that I might someday discharge a high responsibility for my country, I made efforts to acquire background in law, foreign affairs and economics, which are the prime

sectors of responsibility for a President. At the start of my administration, I laid the ground for our domestic labours of moral regeneration and a socio-economic program for prosperity based on free enterprise. But like a family in a community of nations, we cannot duly discharge our domestic duties without reference to the conditions outside our shores in the world community. It was a blessing that circumstances compelled me to go out of the country at the beginning of my term and not later. After my successful trip of goodwill and world orientation, conscious of the need for the fullest preparation to undertake any task, I am happy to say now that I am back I am ready and eager to plunge into the solution of our most difficult problems at home, confident more than ever that with the cooperation of citizens of goodwill, we shall successfully dispose of the problems of prices, credit, rate of exchange, economic expansion, unemployment and all the things we have to undertake in order to assure a better life for our people.

Before I close, I should like to make one more observation. We, in the administration, know and we are confident that we have done well in the initial task of making a shift from the system of controls that bred graft and corruption and impeded economic progress to a system of decontrol and free enterprise that would liberate the innate capability and strength of our economy. Political adversaries and pessimists have sought to cast doubt on the wisdom of our policies by misconstruing and unduly using some adverse transitory symptoms which could be expected and which in fact we anticipated, and have advocated a return to controls. It appears that these people would want us to return to the system that made possible the graft and corruption of the past administration. Despite this pessimism and heckling, we shall continue to put faith in the strength of our people and in our country's abundant resources which when allowed to assert themselves fully bring out the inherent soundness and productivity of the national economy.

In the last three weeks, both I and the Governor of the Central Bank, my right hand man in our decontrol program, were out of the country. If our policies were wrong and harmful, then the national economy, left without the highest direct leadership, would have deteriorated and the economic situation would have turned gravely for the worse, if not collapsed. Instead of this happening, the economy, in our absence, moved on an even keel of recuperating health and vigour, thereby in effect proving our fundamental position that economic growth will come not from the politicians and influence-peddlers and fly-by-night businessmen but from the unshackled strength of the economy itself, from the legitimate businessmen and from the people themselves who are willing to provide hard work and sacrifice as a necessary price to pay for national and individual prosperity.

I will say more in my Radio-TV speech, so now I only would like to say on my behalf, on behalf of my wife and family and the members of my party: thank you all from the bottom of our hearts. It is so sweet to be home.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Remarks of President Macapagal on the inauguration of the Shell Refinery in Barrio Tabangao, Batangas

**Remarks
of
His Excellency Diosdado Macapagal
President of the Philippines
On the inauguration of the Shell Refinery in Barrio Tabangao, Batangas, Batangas**

[Delivered in Batangas, July 28, 1962]

**SHELL REFINERY:
DISPLAY OF INTERNATIONAL BAYANIHAN**

I AM happy to join in your celebration and rejoicing. It is a sobering thought to note that here indeed is a happy marriage of international resources—the free and wise use of capital, experience and effort built in this refinery. Here, we have Filipino, British and Dutch capital. Various components of the refinery were purchased from many countries, the hands that built the structure around us came from many lands, while as much as 70% of the labor force was recruited from Batangas itself. I would like to congratulate both the Filipino and foreign partners of Shell for their success in making the marriage a happy and, I trust, a productive one. I congratulate also the hands from many lands here gathered today for their contributions in the building of this new milestone in Philippine industrialization. This is a monument to international “bayanihan” at its very best.

In many ways the task we have before us in the Administration is similar to that you have behind you. We must form a clear conception of the structure we need to build—the form and shape of the economy that this country will need to provide a life of comfort and security to its people, the principal props of that economy, the intricate machinery that will sustain and energize it. Then we must plan with utmost care and consummate skill the detailed steps that we must take to build the structure of our conception. We must build the organization and select the men who can faithfully carry out those plans. We must mobilize and apply judiciously the financial and material resources that will translate those plans into the same shining structure of steel that this refinery is.

We have formulated the design for a more stable and more adequate economy for the nation. This we have embodied in our “Five-Year Integrated Socio-Economic Program,” which has been approved by the House of Representatives and the National Economic Council. The fact that we have officially adopted this program is proof-sufficient of our intent to carry out its principles, objectives, policies and investment goals. There will be difficulties in this task, there will be efforts to make us turn back, there will even be deliberate attempts to make us fail but with firm resolve we will carry on to labor and fight to achieve a better and happier life for our people through our program of economic progress based on freedom.

I would like to think of this refinery, as well as of all the other refineries that have been built in our country, not so much as a promise that has been fulfilled but as a promise that is being made for greater achievements in the future in the setting of our socio-economic program.

The chemical industry in the Philippines is still young and to a very large extent, still undeveloped. The establishment of 4 refineries may well be the impetus we have long needed in order to propel our chemical industry into maturity. It opens up for our country a vast new world of products that we can locally produce. The American Petroleum Institute has listed at least 2,350 different individual petroleum products that are being produced by the petroleum refining industries. Included among these are: fuels such as gasoline and diesel oil, lubricants, petroleum grease which is used as a base for medicinal salves, creams and ointments, waxes, asphalts, coke and acids. In addition to these products derived from the refining process, of recent years, the chemical derivatives of petroleum, called the petrochemicals, have started a new revolution in industry. From petrochemicals come such vital products as fertilizers, insecticides and fungicides, and such useful products as adhesives, explosives, and the miracle products of plastics and synthetics.

Our country has always recognized and acknowledged the valuable contributions that the oil companies, such as Shell, have made to the growth of our economy. We like to think, that these companies, because they have in turn derived many benefits from our country, shall persevere in their avowed determination to help us to the hilt in our struggle for economic growth.

In the 5-year socio-economic program which we adopted, we set the following objectives for the industrial program: (1) to expand production of import substitutes and (2) to increase production of exportable manufactures. Moreover, we place priority on the manufacture of chemicals such as urea fertilizers and plastics.

The petrochemical industries which can produce these products are of such a nature that they require large amounts of investments, large capacities for production and consequently large markets for their output. The petroleum companies in the Philippines, because of the vast financial resources that support them, and because they operate not only in the Philippines but also in almost all of the other countries in Southeast Asia, are in a very good position to venture into the petrochemicals field. I would, therefore, submit to the forward-looking management that made this refinery possible that they would make a very substantial contribution to Philippine industry and to the country's economic development if they were to engage in the manufacture of the petrochemicals which could be the raw material for fertilizer production, for the production of plastics, adhesives, explosives and of many other products, not only for the Philippines but for all neighboring countries in Southeast Asia. By doing this, they would materially assist us in achieving both objectives of our industrial program. They would earn for themselves a greater share in the country's economic progress and prove once more to our country and to our people their desire to help us attain the growth and self-sufficiency.

As I stand this morning and look at this impressive plant, I think of its far-reaching relationship with the rest of our country. After the crude oil goes from the tankers into those tanks, and through your various process units to come out separated into the gasoline, the kerosene, the diesel and fuel oil which are their components, where do these products flow? They turn the wheels of our trucks, buses and cars. They run our tractors and rice mills and feed the engines that generate electric power for a large portion of our country. They provide the oil for the lamps by which lonely barrio folk find their way and fishermen sit at their vigil.

The petroleum industry is a vital organ in the circulation of this country's lifeblood. It has also, more than any other single private industry, the greatest stake in rapid economic progress. I am told that the Shell Refinery, is so designed as to produce a maximum of fuel oil for which the main markets are thermal electric power plants, ships and large scale industrial establishments. The capacity of the country to absorb its output must depend on the pace at which industries can be multiplied and expanded. The success of our efforts to realize our goals will also mean an expanded demand for fuels. I am confident, therefore, that the Government can look to the petroleum industry as an important partner in our fight against poverty.

Reading the Shell Credo, I would like to close by saying that the Philippine Government is happy to receive this Company as a sincere and faithful ally. We know that in helping assure prosperity and progress to the Philippines, in seeking to work as it has done with Filipinos as partners, and in striving to make full and wise use of the country's natural resources, this Company will continue to enjoy both reciprocal good feeling and satisfactory profit for itself.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Remarks of President Macapagal at the Kick-Off Ceremony for the 1962 Anti-TB Fund and Educational Campaign

**Remarks
of
His Excellency Diosdado Macapagal
President of the Philippines
At the Kick-Off Ceremony for the 1962 Anti-TB Fund and Educational Campaign**

[Delivered on August 17, 1962]

THE GOOD FIGHT AGAINST TB

I AM exceedingly happy for this opportunity to dwell on a very serious public health problem, tuberculosis, which bears heavily on the socio-economic program of my Administration. While every effort of our Government and of our people is geared toward the strengthening of the national economy which would bring the blessings of economic prosperity and social progress to every Filipino home, the best of our plans would face a serious roadblock if we neglect to control an impoverishing disease which reduces the physical stamina and mental vitality of our manpower so necessary to the country's productivity.

A man stricken by tuberculosis loses his job. Deprived of his means of livelihood, his family has to forego the bare necessities of life; his children cannot go to school. Weakened by a debilitating disease, he loses his capacity to contribute to production; unable to earn, he is deprived of his purchasing power. He becomes an ineffective member of the community, and he and his family become a burden to society.

I can assure you the Government is doing everything possible to alleviate this major public health problem, but its scope is so gigantic and its effects so permeating that the Government alone cannot cope with it. This is not an apology but a simple exposition of facts. Confronted with multifarious problems just as enormous and pressing, the government cannot be expected to accomplish miracles; frankness is better than lulling the public into a false sense of security on a matter that involves human lives.

While we must be frank with our TB situation, we need not be despondent over it. In fact, we have reason to be optimistic but not complacent about it. As befits a developing nation, we are steadily reducing our TB death rate despite our rising population. In 1910 when our population was only eight million, 40,000 Filipinos were dying of the White Plague or 486 death per 100,000; it has dropped to 214.82 per 100,000 in 1935; to 166.83 in 1946; to 138.90 in 1950; to 107.78 in 1955; and 87.1 in 1960, when the population has exploded to 27,000,000.

Today we are proceeding with the anti-TB program with unremitting vigor and resolution. We have only to see the determination written on the faces in this audience to reaffirm our faith and our steel will to defeat this dreadful killer. Symbolizing this unshakeable faith and unyielding will is the Philippine Tuberculosis Society, Inc. My Administration now publicly acknowledges with deep admiration and gratitude the services of the Society to the nation in the relentless crusade against the White Plague and to promote the health of the people. For the past 52 years, this charitable organization has been performing an important public service with a zeal unequalled in devotion and dedication, undaunted by the vicissitudes of time. Since its foundation in 1910, it has valiantly fought in saving precious human lives from a ruthless killer and in minimizing human sufferings among our fellow citizens.

There is one miracle that the Society has done for humanity. The Society has changed the stigma of the disease from one of dread to humane attitude of sympathy. Whereas before, a victim of tuberculosis was shunned as an outcast of society, now the TB patient is accepted as a fellow human being who must be given every chance to get well, and rehabilitated to enable him to resume a life of usefulness in the community.

We are resolved to control this disease with united efforts and with all the available resources at the command of our Administration. Behind this resolve, I give my pledge, and I hereby call on all citizens and residents of the Philippines to rally wholeheartedly behind the Anti-TB cause by actively participating in the national movement for

the control of the White Plague, and by giving generous support to the 1962 Anti-TB Fund and Educational Campaign which I now have the honor and privilege of declaring as formally open.

Remember that by contributing to the Anti-TB fund drive, you are not only saving a life but you are helping build a better Nation.

Thank you, and on with the Good Fight!

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Power of authority given by the President of the Philippines, Diosdado Macapagal to Vice President Emmanuel Pelaez to formally accept for the Republic of the Philippines, the cession or transfer of sovereignty over the territory of North Borneo by His Highness Sultan Mohammad Esmail Kiram, Sultan of Sulu

Malacanang
Manila

BY THE PRESIDENT OF THE PHILIPPINES

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

KNOW YE, that reposing special trust and confidence in the integrity, prudence and ability of:

The Honorable EMMANUEL PELAEZ
Vice President of the Philippines and
Concurrently Secretary of Foreign Affairs

I, DIOSDADO MACAPAGAL, President of the Philippines, have invested him with full and all manner of power and authority, for and in the name of the Republic of the Philippines, to formally accept for the Republic of the Philippines the cession or transfer of sovereignty over the Territory of North Borneo by His Highness Sultan Mohammad Esmail Kiram, Sultan of Sulu, acting with the advice and authority given by Resolution of August 29, 1962 of the Ruma Bechara, in Council assembled. Such Instrument of Cession as may be accepted by the Honorable EMMANUEL PELAEZ under the present authority is to be transmitted to the President of the Philippines for further action in accordance with the Constitution and laws of the Republic of the Philippines.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Seal of the Republic of the Philippines to be affixed.

Done in the City of Manila,
Philippines, this 11th day of
September, in the year of Our Lord
nineteen hundred and sixty-two,
and of the Independence of the
Philippines, the seventeenth.

(Signed) DIOSDADO MACAPAGAL

By the President:
(Signed) SALVADOR MARINO
Executive Secretary

Source: **The Philippine Claim to a Portion of North Borneo**

Toast of President Macapagal at the State Dinner in Honor of T. I. H. the Crown Prince and Princess

**Toast
of
His Excellency Diosdado Macapagal
President of the Philippines
At the State Dinner in Honor of T. I. H. the Crown Prince and Princess**

[Delivered on November 5, 1962]

PHILIPPINE-JAPANESE RELATIONS

Mrs. Macapagal and I are very happy to have Your Imperial Highnesses as our honored guests at dinner on this first evening of your visit to this country. We hail this occasion of your visit as marking the beginning of a new era in the relations between the Philippines and Japan, and it is our hope that the keynote of those relations will always be harmony and peace.

We are living in the same region of the world and we should observe toward each other the feeling of neighborliness. Our two peoples must co-exist in mutual respect. This is a rule imposed on us by Destiny itself.

We from the Philippines are gratified to note that you have turned to the ways of democracy and that militarism has been completely discredited in your country. You are now enjoying a prosperity almost unequalled in the history of nations and your merchants and traders are reaching out for the farthest confines of the earth. As your immediate neighbors, we hope to share with you the boon that comes from this increased prosperity. Happily for our two peoples, already there are definite trends in this direction.

There are many reasons why Japan and the Philippines should be in all the years to come good friends and neighbors. Developments in both countries in the recent past have all been leading to a strengthening of these new bonds of amity. While, on the one hand, Japan has been faithfully discharging her obligations under the reparations agreement, thus assisting most effectively in our economic rehabilitations and development; the Philippines, on the other hand, has been expanding her trade and commerce with Japan. As a result, it is gratifying to note that at present many industries of Japan are utilizing, each year in a progressively larger proportion, raw materials imported from our country. At the same time, new factories in the Philippines are using machineries of Japanese make, and in our shops and stores, a great variety of products of skillful Japanese craftsmanship, artistic as well as utilitarian, may be found.

This newly formed basis for mutually beneficial relations between Japan and the Philippines is but the logical consequence of their geographical propinquity and historical ties which antedate our first contact with the West. In the dynamic pattern of modern life, our two peoples have vast opportunities to find broader areas of common interest and it is my hope that, hand in hand, they will move forward to a better and more ample life for themselves and their children in an atmosphere of peace, freedom, and sovereign equality.

In the expectation that the friendship between your country and mine, which we are here cementing tonight, will continue, we are requesting Your Imperial Highnesses to convey to Their Imperial Majesties The Emperor and Empress of Japan our gratitude for sending you to us as bearers of goodwill and amity. You may reassure Their Imperial Majesties that as far as the Philippines is concerned, we propose to march forward with Japan in closer harmony and cooperation in pursuit of common ideals.

Allow me now to ask you to rise and join me in a toast to the health and happiness of Their Imperial Highnesses and for the continued peace and well-being of the people of Japan.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Welcome Remarks of President Macapagal on arrival of T. I. H. the Crown Prince and the Crown Princess

**Welcome Remarks
of
His Excellency Diosdado Macapagal
President of the Philippines
On arrival of T. I. H. the Crown Prince and the Crown Princess**

[Delivered at the Manila International Airport, November 5, 1962]

WELCOME TO JAPANESE PRINCE AND PRINCESS

IN the name of the government and people of the Philippines, allow me to extend to Your Imperial Highnesses our most cordial welcome. We trust that your visit will be most enjoyable and fruitful. Mrs. Macapagal and I, in particular, hope that you will find many opportunities during your sojourn with us to know more of this country and to meet and know more of our countrymen. One of the traits of our people is a traditional hospitality through which we open to you our doors and our hearts.

We have heard of the many fine qualities that have endeared Your Imperial Highnesses to your people. Your democratic ways, your love of sports, and your interest in the welfare of the masses—all these and more are not unknown to us. Your present visit will afford an opportunity to our people to see you in person and be charmed thereby. May the visit pave the way for even closer and stronger ties between our two peoples.

We are an intensely freedom-loving people. In the ideological conflict that threatens the future of mankind, we have been unequivocal and firm in upholding the system of liberty. We are aware that your own country has aligned itself with the nations that uphold the cause of freedom. Thus bound by a common ideal, our two peoples have reason to look forward to a closer and happier relationship.

In this spirit, we bid you welcome and we are full of joy that you are in our land and among our people. To your Imperial Highnesses and to your distinguished party, we sincerely say:

“Welcome and Mabuhay!”

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Response of President Macapagal at the Dinner given by T. I. H., the Crown Prince and the Crown Princess of Japan

**Response
of
His Excellency Diosdado Macapagal
President of the Philippines
At the Dinner given by T. I. H., the Crown Prince and the Crown Princess of Japan**

[Delivered on November 8, 1962]

GOLDEN HARVEST FROM VISIT

MRS. MACAPAGAL and I are grateful for the pleasure of sharing this evening with you. In the few days Your Imperial Highnesses have been with us, you have charmed the Filipino people and have advanced the cause of Japanese-Philippine friendship. This achievement bespeaks your winning ways, your humane qualities, and your interest in our country and people.

Your Highness has just adverted to the “great possibility of our cooperation in the fields of culture and social welfare.” The Filipino people welcome the prospects of such cooperation. Ever closer interchanges are now being realized in the field of education and culture. The number of Filipino scholars studying in Japan is increasing yearly. Burnham Park in Baguio City, which you have just visited, has been beautified with the help of Japanese landscape experts. The Philippines benefits from Japanese technical assistance within the framework of the Colombo Plan. The reparations payments are being utilized in the implementation of the socio-economic program which will place the Philippines well on the road to economic and social progress.

All these show the mutuality of our interests and the benefits to be derived from sincere cooperation. But these results, impressive as they are, barely touch the surface of Japanese-Philippine relations which can become closer and more enduring with your visit.

A great number of tasks remain to be done. Trade between Japan and the Philippines can be vastly expanded. Scientific and technological exchanges can be intensified to keep pace with the tremendous advances in these fields. With goodwill and mutual assistance, these and other tasks can be accomplished with satisfaction on both sides.

We shall look forward to the day when our two peoples shall reap the golden harvest from the seeds of friendship which we are sowing now, with this fruitful visit of Your Imperial Highnesses.

Excellencies, ladies and gentlemen, may I ask you now to raise your glasses and join me in a toast to the continued good health and happiness of Their Imperial Highnesses and to the enduring friendship of Japan and the Philippines.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

**Remarks of President Macapagal given at the cornerstone laying ceremonies for “The Fourth Estate”
Housing Project of the National Press Club**

**Remarks
of
His Excellency Diosdado Macapagal
President of the Philippines
Given at the cornerstone laying ceremonies for “The Fourth Estate” housing project of the National Press
Club**

[Delivered at Barrio Sucat, Parañaque, Rizal, November 19, 1962]

HOUSING FOR NEWSMEN

PHILIPPINE journalism has known no prouder or more heroic moment than the death agony of Marcelo H. del Pilar in a dingy inn at Barcelona many years ago. The pioneer Filipino editor died of malnutrition and tuberculosis; he had to be buried in potter's field.

The sacrifice of Del Pilar is symbolic, it seems to me, of the unusually large share made by the profession of journalism to the attainment of our independence. To paraphrase another journalist, Winston Churchill, never have so few given so much to their country. It was a never-ending source of fascination for me, as a school boy, to note that almost every important hero of the Filipino race, from revolutionary times, have been either a journalist or a writer.

Filipino newspapermen, let alone our literary men, no doubt deserve better living conditions. Unfortunately, their living conditions are determined more by the profit-and-loss statements of their publications than the role played by the whole tribe of writers in our national life.

It gladdened my heart, therefore, to learn of this project of the National Press Club of the Philippines to build low-cost homes for its members. The project, for one thing, fits in with the new emphasis on low-cost housing under our Administration.

I believe that there is direct correlation between good housing and good journalism. No one will doubt that newspapermen and writers will be able to function more freely, more efficiently, and more objectively in a climate of well-being for themselves and their families. My Administration accordingly is only too happy to support this project, in the spirit of helping the working press achieve better conditions for its own freedom.

This is in effect a self-help project for and by newspapermen, undertaken by the National Press Club. The NPC, particularly its officers, deserves the warmest congratulations for this achievement.

You will forbear me for saying that the press loves nothing better than to tell the government what to do, in endless columns and editorials. Today, I shall be presumptuous enough to offer you a suggestion in return. When you move in to your new homes in this village, it may be fitting and spiritually useful to have a monument to M. H. del Pilar, the father of Filipino journalism, right in the center of this community. This will be a constant reminder to all of the heroic origins of your calling. It will also remind you of the close historic association between the press and the cause of freedom.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Remarks of President Macapagal at the launching of the Clothes-For-the-Masses Project

**Remarks
of
His Excellency Diosdado Macapagal
President of the Philippines
At the launching of the Clothes-For-the-Masses Project**

[Released on December 31, 1962]

CLOTHES FOR THE MASSES

TODAY, I am privileged to bring to you a piece of news that gratifies me. It is by no means a personal achievement. It is, rather, the achievement of one of our major industries and my part in it is no more than a relative one, something closer to motive power. The energy and the power of performance came from the textile industry of the Philippines. I am gratified because now I can report to you, to the people of our country, that the textile industry has produced the low-cost fabric that I have long wanted for the mass of the people of our country. It has been named "Pag-asa," which means hope. Indeed, the production of this cloth had proceeded from hope and indicates hope that a better life for our masses is on the horizon.

It was my hope that in due time the textile industry of the Philippines would be able to produce a fabric that would be sturdy, attractive, and priced within the reach of the lowest income group among our people. I expressed this hope soon after my assumption of office when, before the representatives of our textile industry, I had occasion to discuss their problems and the future of the industry. At that time, less than a year ago, I took the opportunity to encourage the manufacture of such a fabric. The men who had built this industry were enthusiastic. Then and there they pledged that they would expend all their energies to produce this cloth in the quickest possible time. We were all enthusiastic, indeed. But then, there were the problems of the industry to cope with and there were major difficulties to overcome before the project could be realized.

Now, we have the Pag-asa cloth. The swift realization of this hope of mine, and the textile industry's and your hope, for a low-cost utilitarian cloth was far beyond expectations. I would even venture to say that it is a phenomenal achievement. When we think of the fact that clothing is an elemental need, in the same way that we cannot do without food or shelter, then we cannot overestimate the importance of this achievement. The Pag-asa more or less approximates the denim cloth, or what we call *maong*. It is available for women as well as for men, not to mention children. You will understand now why I was very much concerned about the manufacture of this cloth, bringing it up in fact at my very first meeting with the executives of our textile mills. It is gratifying that they understood the importance of the project which I proposed and sensed the urgency of my proposal.

Another source of gratification is the realization that we have developed industries in our country that could not only produce the essential goods we need, but produce them with quality and dispatch. The textile industry is such an industrial enterprise. The story of the industry can be described as one from rags to riches—the riches of multifarious fabrics woven and finished from raw materials into a stunning array of cloth that could compare with any fabric produced abroad. More than just by the skill and knowhow that the textile industry has demonstrated, I am gratified by their warm and interested response to my expressed hope—that they would produce a fabric not especially for profit, but particularly to provide the masses with a kind of cloth that would fill their needs.

The Pag-asa is meant to be such a cloth. It sells at a factory price of P0.65 per yard for the women's fabric and P0.90 for the men's cloth. This is a price lower than a ganta of RCA rice. I hope that it will not sell any higher in retail; indeed I would see to it that it does not sell higher than practicable to distributors. I shall regard the supply of this cloth to the people as a state responsibility, as much a responsibility as for the supply of food and the availability of proper shelter.

This administration is committed to give the people the primal needs of life—food, clothing and shelter. Our economic policies directly stem from these needs and seek the far goals of development in such a way that these

needs will in time be refined and expanded, to give our people the high standard of living that has been their due for generations.

The Pag-asa is only a beginning. It is a good beginning in its area of activity and in the sector of service that it fills. I am proud of this achievement, and I congratulate the Textile Mills Association for bringing it about. I am proud because it marks another stride towards a better life for the underprivileged and because every signal achievement of our own industries is another proof of the capacity of our own people, another window into the future which will be as bright as our united effort as a Nation can make it.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Remarks of President Macapagal at the Gridiron Night held by the National Press Club

**Remarks
of
His Excellency Diosdado
President of the Philippines
At the Gridiron Night held by the National Press Club**

[Delivered on March 4, 1963]

**Harmony
Diversity**

in

IN THE LITTLE more than one year of our Administration, we trust that a sufficient picture has been created of the ardent aspirations of the Administration and of its resolve to achieve the most in the least time through firm actions sanctioned by the Constitution and the rule of law.

The foremost feature in the varied activities of the Administration is the fact sustained by fervent conviction that in the period given us by the people, the Nation must effect a breakthrough in its battle against the poverty in which our people have languished for generations.

Stated otherwise, we cannot accept going on in the even tenor of the old ways which tended to perpetuate an economic order in which a few became richer and richer while the poor became comparatively poorer and poorer. If we do not get out of this drab routine, considering the explosive rate at which our population increase, there shall be no hope and future for the common people of our country within the foreseeable years ahead.

Stated more simply, a job has to be done—which is to so organize our resources, both natural and human, in a supreme national efforts as to shed off the shackles that chain our people to poverty and get them to stand on the ground from which they can move forward to achieve the “welfare and economic security of all the people” which is the goal set in our Constitution.

The vital thing is that this job must be done within the sanction of the Constitution which itself directs the undertaking. Matters and issues arising in the process of accomplishing the job, while having their own importance, should be assigned a secondary importance, certainly not such importance as would defeat the accomplishment of the job itself.

In giving primacy to insuring the accomplishment of the national task, we have been emphatic that the Constitution and the law must be inviolate. To assure this, we have given advance notice that we shall comply with all decisions of the Supreme Court which alone has the final say on what is the constitutional and statutory law. To sacrifice the accomplishment of our tasks by endlessly disputing and quarreling over mooted legal matters when we have the Supreme Court to adjudicate these matters for our guidance would imperil the efficacy of the democratic system to achieve the goal of bringing about the people’s welfare. On our part, respecting the Constitution and the law as laid down by the Supreme Court, we are for making the processes of our democracy effective and not ineffectual in bringing about the goal of our people, otherwise democracy would not be an instrument for the public welfare but a curse that by its wrangling and its delays would doom the people to continued poverty and perdition.

We should all ask ourselves this question: Do we want our country to progress at a pace sufficient to meet the growing needs of our growing population? If we do, let us not jeopardize the success of the socio-economic program that we have launched for the purpose by giving overriding importance to the ancillary disputes that arise in the process undertaken for its success. There is no substitute for victory in the war against the poverty of our people.

The task of achieving an adequate pace of economic and social progress is not an easy one. It is, in fact, a job of fantastic magnitude. For its accomplishment, maximum national solidarity and cooperation are essential. Without

national solidarity and cooperation, the job cannot be done. It is ridiculous and irresponsible to expect it to be accomplished under conditions in which conflict and dissension predominate over harmony and cooperation. The task requires that the Nation and its economy get organized for its accomplishment. If we cannot get organized under the rule of law, the country might as well abandon the herculean task and accept the fate of being indefinitely an underdeveloped Nation in which a few exploit the available opportunities while the bulk of our countrymen continue to rot helplessly in misery as their counterparts in progressive lands already enjoy the wonders of modern living. In such a situation, we shall, on our part, keep on our efforts even if they may be in vain because as a soldier prefers to fall and die fighting for freedom rather than live in tyranny, we would prefer to fall fighting for the freedom of our people from poverty than accept without fighting the continued enslavement in misery of the mass of our countrymen.

This is the challenge which we pose before the media in our country, including the press, and the critics of the Administration.

Stated otherwise, the challenge is a call to a sense of proportion that would not sacrifice the essential for the incidental, that would not so place emphasis on comparatively less important matters as would wreck the accomplishment of the job of enabling the bulk of our people to attain and enjoy a better life.

There is a bit of philosophy which says that there is harmony in diversity. There is truth in this. There is harmony in the diversity of creation. There is harmony in the complexity of the human anatomy. There is harmony in the complexity of life.

Similarly, there is an inherent harmony in the diversity of a nation's problems. A people's problems and the myriad wishes of sectors of the people and of individual citizens are like the pieces of a jigsaw puzzle which, bewildering in their isolation, have their place in the completeness and harmony of the jigsaw board.

It is the task of the leaders of a Nation within the constitutional authority to see that these various pieces, these myriad views of sectors of the people and of individual citizens, are all allocated their proper places so that the jigsaw board shall be harmoniously complete, so that there shall be maximum solidarity and cooperation in the Nation's effort to achieve its vital goals.

It is in turn the task and responsibility of the press and the other media of information, as well as the opposition, to see that these pieces in the jigsaw puzzle do not scatter in disorder and confusion that would prevent the formation of national harmony out of diversity, in order to enable the Nation to fulfill the aspirations of the people.

It is against this background of fundamental thinking that we urge you to evaluate the actions of the Administration and its authorized leaders.

By way of simple illustration, let us consider invitations of the press organization to the President to attend its affairs. We attend some and we do not attend others. If we do not attend some affairs of the press, it does not mean that we do not have regard for the press. While we have not attended some affairs of the press which were perfectly harmless to the President, the fact that we are here in this affair, when by tradition the press in this affair may satirize or criticize us should be proof of our high regard for the press and of our respect for its rights and responsibilities, otherwise we would have avoided this affair where we will be criticized and attended instead the other press affairs where we would probably have been praised.

Why do we not attend some affairs of the press and we attend others? The answer can be found in the fundamental truth of harmony in diversity. The answer is that there are a thousand and one demands on the time of the President which he cannot all satisfy. Therefore, the President has to apportion his time in a manner as to serve the greatest number. Therefore, a sense of proportion dictates that no organization and no individual should ever feel that he has a right to the time of the President which belongs to the whole Nation. Therefore, for any organization to insinuate that because the President has not accepted their invitation, the President lacks regard for them is to demonstrate superficiality of thinking and failure to understand that in accordance with the basic principle of harmony in

diversity, the President has to allocate his limited time in the most equitable manner as would serve the greatest good of the greatest number of the people all of whom he is bound to serve.

The truism of harmony in diversity should also caution the press not to overly exult in the cleverness of criticism without regard to its effect on the national task and its accomplishment.

We submit that the press and those who operate it have a creative purpose which is in harmony with the national interest and welfare. It is not merely the task of the reporter to give an account of interesting and sensational news. It is not merely the function of the columnist to be clever in his comment. It is not merely the duty of the editorial writer to endeavor to express public opinion. It is the responsibility of all of them who run the press to promote the welfare of the people by contributing to the accomplishment of the tasks being undertaken by the Nation at any given time. If they do not take into account this responsibility, they may satisfy themselves but they do not satisfy the essential function of the press of assisting in the attainment of the goals of the Nation. They convert the press into a roadblock instead of an aid to the progress of the people in whose name the press exists.

Specifically, the program for economic and social progress will require sacrifice on the part of the people for a certain period. Some vital measures will cause burdens on the population. The progress of a nation, particularly an underdeveloped nation, cannot be built without sacrifice. It is therefore essential to encourage the people to meet these burdens with fortitude. If instead of orienting the people on the need for sacrifice, some members of the press habitually arouse discontent by magnifying the inconveniences arising from implementary measures, those who undertake this destructive activity misuse the rights and responsibilities of the press by jeopardizing instead of helping in the accomplishment of the Nation's hazardous task of effecting rapid progress.

We maintain that both the majority and minority in a democracy have a common responsibility—which is to bring about the good of the people. We further maintain that this broad concept of the good of the people, in specific and particular terms, means in our time the success of the socio-economic development program which the Nation has adopted and which knowledgeable experts, both local and foreign, have unanimously hailed as the gateway through which to lead and liberate our people from their poverty to a better life.

We therefore submit that the majority, within the sanction of the Constitution, is not only justified but called upon to take effective measures to bring about the success of the Nation's socio-economic program. We likewise submit that the minority and all those who sustain them would not be justified in extending the right and responsibility of opposition and criticism to such an extreme as would contribute to the failure of the first earnest and workable program for the accelerated economic, social and moral progress of our people that has been put into operation.

On this proposition, we are ready to receive the judgment of our sovereign people on all of us, as well as the judgment of posterity.

Source: Presidential Museum and Library

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Remarks of President Macapagal during the State Dinner given in Honor of His Excellency, Vice President Chen Cheng

**Remarks
of
His Excellency Diosdado Macapagal
President of the Philippines
During the State Dinner given in Honor of His Excellency, Vice President Chen Cheng**

[Delivered at Malacañan Palace, March 20, 1963]

**China
the Philippines**

and

IT IS with the greatest pleasure that Mrs. Macapagal and I welcome Your Excellency and Madame Chen and the members of your distinguished party in the name of the Government and people of the Philippines. Your presence here symbolizes the long and peaceful relationships of our two peoples and once more serves to emphasize their harmonious dealings with each other. Mrs. Macapagal and I were extremely glad that you are with us on this occasion which recalls the moment when I visited your country three years ago as Vice President of this Republic. We are certain that Your Excellency's visit, in return for the one made to your country by President Garcia three years ago, will open up new avenues for bringing our two peoples closer together.

The relationship between our two countries is not just a matter of the recent past nor an accident of history. Long before the advance heralds of the western world set foot in this part of the world, our two peoples had firmly established mutually beneficial relationships in commerce, arts and other useful pursuits. Indeed, our cultural and historical affinities go back to the distant past and have remained unbroken to the present.

It is symbolic of our historic and mutually beneficent relationship in meeting common and similar problems that you have come at precisely the time when our Nation is set to promote further social and economic progress through land reform that seeks to abolish the system of tenancy that has plagued our farms for centuries. It was under your personal leadership and guidance that you have successfully instituted land reform in your country. We congratulate you for your success and we congratulate ourselves because we hope to benefit from the example of your success in this regard.

As is true among all nations, there are subsisting problems of importance between our two countries. We look forward soon to approaching these problems towards abiding solutions and express confidence in bringing about satisfactory adjustments on the basis of good will, justice, and mutual recognition of vital national interests.

We have heard of your recent state visit to South Vietnam and reports of the warm response of the Vietnamese people attest to the success of your visit. We know that your journey to this staunch opponent of communism has strengthened the determination of the peoples of South Vietnam and Nationalist China to oppose communist imperialism. I express the hope that your short visit in our country will be equally fruitful and enjoyable. Your country is a source of inspiration to the free nations of Asia because it was your impregnable stand in your island bastion which has held the enemy at bay and kept him from further expansion in the area.

The Philippines and your country are both committed to the democratic way of life. Both see in communism a modern imperialism which, despite its several guises, cannot hide its true objective of world domination. Both countries are committed to an uncompromising opposition to this alien ideology. United in a common objective, our two peoples can move forward in greater harmony. We assure you that here you will find a people who are on your side in the common struggle to preserve a way of life which exalts the individual and the open society in contrast to the slave society of communism.

Excellencies, may I ask you to rise and join me in a toast to the health and happiness of His Excellency, Generalissimo Chiang Kai-shek, President of the Republic of China, and to the continued peace and prosperity of the people of the Republic of China.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

Manila Accord

Manila Accord*

Signed at Manila, July 31, 1963

1. The governments of the Federation of Malaya, the Republic of Indonesia and the Republic of the Philippines, prompted by their keen and common desire to have a general exchange of views on current problems concerning stability, security, economic development and social progress of the three countries and of the region and upon the initiative of President Diosdado Macapagal, agreed that a Conference of Ministers of the three countries be held in Manila on 7th June 1963 for the purpose of achieving common understanding and close fraternal cooperation among themselves. Accordingly, Tun Abdul Razak, Deputy Prime Minister of the Federation of Malaya; Dr. Subandrio, Deputy First Minister/Minister of Foreign Affairs of the Republic of Indonesia; and Hon. Emmanuel Pelaez, Vice President of the Philippines and concurrently Secretary of Foreign Affairs, met in Manila from 7 to 11 June 1963.

2. The deliberations were held in a frank manner and in a most cordial atmosphere in keeping with the spirit of friendship prevailing in the various meetings held between President Sukarno of the Republic of Indonesia, and Prime Minister Tunku Abdul Rahman Putra of the Federation of Malaya, and President Diosdado Macapagal. This Ministerial Conference was a manifestation of the determination of the nations in this region to achieve closer cooperation in their endeavour to chart their common future.

3. The Ministers were of one mind that the three countries share a primary responsibility for the maintenance of the stability and security of the area from subversion in any form or manifestation in order to preserve their respective national identities, and to ensure the peaceful development of their respective countries and of their region, in accordance with the ideals and aspirations of their peoples.

4. In the same spirit of common and constructive endeavor, they exchange views on the proposed Confederation of nations of Malay origin, the proposed Federation of Malaysia, the Philippine claim to North Borneo and related problems.

THE MACAPAGAL PLAN

5. Recognising that it is in the common interest of their countries to maintain fraternal relations and to strengthen cooperation among their peoples who are bound together by ties, race and culture, the three Ministers agreed to intensify the joint and individual efforts of their countries to secure lasting peace, progress and prosperity for themselves and for their neighbours.

6. In this context, the three Ministers supported President Macapagal's plan envisaging the grouping of the three nations of Malay origin working together in closest harmony but without surrendering any portion of their sovereignty. This calls for the establishment of the necessary common organs.

7. The three Ministers agreed to take the initial steps towards this ultimate aim by establishing machinery for frequent and regular consultations. The details of such machinery will be further defined. This machinery will enable the three governments to hold regular consultations at all levels to deal with matters of mutual interest and concern consistent with the national, regional and international responsibilities or obligations of each country without prejudice to its sovereignty and independence. The Ministers agreed that their countries will endeavour to achieve close understanding and cooperation in dealing with common problems relating to security, stability, economic, social and cultural development.

8. In order to accelerate the process of growth towards the ultimate establishment of President Macapagal's plan, the Ministers agreed that each country shall set up its own National Secretariat. Pending the establishment of a Central Secretariat for the consultative machinery, the National Secretaries should coordinate and cooperate with each other in the fulfillment of their tasks.

9. The Ministers further agreed to recommend that Heads of Government and Foreign Ministers meet at least once a year for the purpose of consultations on matters of importance and common concern.

MALAYSIA AND NORTH BORNEO

10. The Ministers reaffirmed their countries' adherence to the principle of self-determination for the peoples of non-self-governing territories. In this context, Indonesia and the Philippines stated that they would welcome the formation of Malaysia provided the support of the people of the Borneo territories is ascertained by an independent and impartial authority, the Secretary-General of the United Nations or his representative.

11. The Federation of Malaya expressed appreciation for this attitude of Indonesia and the Philippines and undertook to consult the British Government and the Governments of the Borneo territories with a view to inviting the Secretary-General of the United Nations or his representative to take the necessary steps in order to ascertain the wishes of the people of those territories.

12. The Philippines made it clear that its position on the inclusion of North Borneo in the Federation of Malaysia is subject to the final outcome of the Philippine claim to North Borneo. The Ministers took note of the Philippine claim and the right of the Philippines to continue to pursue it in accordance with international law and the principle of the pacific settlement of disputes. They agreed that the inclusion of North Borneo in the Federation of Malaysia would not prejudice either the claim or any right thereunder. Moreover, in the context of their close association, the three countries agreed to exert their best endeavours to bring the claim to a just and expeditious solution by peaceful means, such as negotiation, conciliation, arbitration, or judicial settlement as well as other peaceful means of the parties' own choice, in conformity with the Charter of the United Nations and the Bandung Declaration.

13. In particular, considering the close historical ties between the peoples of the Philippines and North Borneo as well as their geographical propinquity, the Ministers agreed that in the event of North Borneo joining the proposed Federation of Malaysia the Government of the latter and the Government of the Philippines should maintain and promote the harmony and the friendly relations subsisting in their region to ensure the security and stability of the area.

MEETING OF HEADS OF GOVERNMENT

14. The Ministers agreed to recommend that a Meeting of their respective Heads of Government be held in Manila not later than the end of July 1963.

15. The Ministers expressed satisfaction over the atmosphere of brotherliness and cordiality which pervaded their Meeting and considered it as a confirmation of their close fraternal ties and as a happy augury for the success of future consultations among their leaders.

16. The Ministers agreed to place on record their profound appreciation of and gratitude for the statesmanlike efforts of President Macapagal whose courage, vision and inspiration not only facilitated the holding of this historic Meeting but also contributed towards the achievement for the first time of a unity of purpose and a sense of common dedication among the peoples of Malaya, Indonesia and the Philippines.

APPROVED
Manila, July 13, 1963

AND

ACCEPTED.

SOEKARNO <i>President of the Republic of Indonesia</i>	
	TUNKU ABDUL RAHMAN PUTRA AL-HAJ <i>Prime Minister of the Federation of Malaya</i>

Note:

Source: IV PTS 779.

Footnote:

* Philippine Claim to North Borneo, Vol. II, at 97-100.

Source: **The Philippine Claim to a Portion of North Borneo**

Remarks of President Macapagal during the State Dinner honoring His Excellency, Hayato Ikeda, Prime Minister of Japan

**Remarks
of
His Excellency Diosdado Macapagal
President of the Philippines
During the State Dinner honoring His Excellency, Hayato Ikeda, Prime Minister of Japan,**

[Delivered at Malacañang, September 24, 1963]

TOWARDS COMMON PHILIPPINE-JAPANESE OBJECTIVES

I WOULD LIKE to reiterate a warm and sincere welcome to His Excellency Prime Minister Hayato Ikeda of Japan and to express once again the pleasure we all feel at having him as our honored guest.

Mrs. Macapagal and I are delighted to have with us tonight the Prime Minister and his lady who have accepted our invitation to visit the Philippines with one of their daughters. This enable us to reciprocate the hospitality that the Prime Minister accorded to Mrs. Macapagal and me when as Vice-President, I was the official guest of the Japanese Government in 1960.

The Prime Minister and I were first together, then unknown to each other, when we were delegates of our respective countries and signers of the Japanese peace treaty in 1950. We started in politics in the same year in 1949 and both climbed to the highest position within the gift of the people in a democracy. But what made me acquire a personal liking for Prime Minister Ikeda was that when I called on him in Tokyo in 1960 and told him that I was a candidate for the Presidency of our country in the 1961 election, he nicely if undiplomatically expressed best wishes that I would win the election, which I did. Whenever I meet the Prime Minister on election time, I therefore have an optimistic feeling of victory in the elections.

Prime Minister Ikeda has come to the Philippines to work with us in assessing Philippine-Japanese relations and exploring new avenues of further mutually helpful collaboration among our two nations.

In this task, there should be an acceptance of the fact that some differences of national interests are normal or even intrinsic in any forthright relationship among governments and peoples. Having this in mind, I feel justified in believing that the Prime Minister and I share the view that in a frank and tolerant exchange of views designed to adjust these differences lies the planning and execution of common cooperative arrangements that can meet the compelling demands of national security, economic and social progress which both our nations seek. In this connection, it is gratifying that he sees the justified endeavor of the Philippines to be industrialized in the manner of Japan in the last decade, rather than a supplier of raw materials for other nation's industries.

Prime Minister Ikeda's presence in our country is a manifestation of the need for this communication among two neighbor-nations seeking essentially similar objectives. Our stakes in the maintenance of a democratic system in which we both believe are based on similar values and aspirations. There is no reason why Japan and the Philippines should not be able to work out agreements in many fields of economic and cultural activities in an atmosphere of mutual respect and friendly cooperative understanding.

In this spirit, may I invite Your Excellencies, ladies, and gentlemen, to join in a toast to the continued good health of His Majesty, the Emperor of Japan, and to the security and prosperity of the Japanese people of whom our honored guest is the capable leader.

Source: **Presidential Museum and Library**

Macapagal, D. (1965). *Fullness of freedom : speeches and statements of President Diosdado Macapagal* (Vol. IV). Manila : Bureau of Printing.

